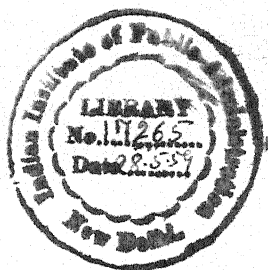


# Conflicting Tendencies IN Indian Economic Thought

BY

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To  
SREEJUT SYAMA PRASAD MOOKERJEE  
M.A., B.L., BARRISTER-AT-LAW,  
a redoubtable champion of the Bengali language,  
an ardent advocate of industrialization,  
the youngest Vice-Chancellor of the University of Calcutta,  
a faithful follower  
in the footsteps of his father Sir Asutosh  
in making the University of Calcutta  
a world centre of culture and learning,

This work is dedicated.



## P r e f a c e

While preparing my Bengali work entitled *Dhana-Vijnane Sakreti* (Apprenticeship or First Lessons in Economics) during 1928-32 I was struck by the immense diversity that prevailed among Indian economists both as regards methods and conclusions. Certain writers might be described as more or less orthodox and others generally speaking as heretics. The subject of economic orthodoxy *versus* economic heresy as prevailing in India did not however appear to have been studied by any previous writer. It was in the midst of these intellectual pursuits that a constructive suggestion in this direction came to me from a rather unexpected quarter.

Towards the spring of 1929 I was asked by Swami Ashoka-nanda of the Ramakrishna Mission, the then editor of *Prabuddha Bharata* (Awakened India), Calcutta, and at present in the U.S.A. in charge of the Vedanta Centre at San Francisco, to contribute several articles to his monthly journal on the theme of the present publication. The very authors to be studied were also named by him.

All the chapters excepting Ch. II and Ch. VII were published serially under different titles in *Prabuddha Bharata* from 1929 to 1931. Chapter II was published in the *Insurance and Finance Review* (Calcutta, May-September, 1933).

The work owes its origin to Swami Ashokananda in a direct manner and I am therefore profoundly indebted to him. Thanks are likewise due to Swami Pavitrananda, the present editor of *Prabuddha Bharata*.

To my colleagues at the Bangiya Dhana-Vijnan Parishat (Bengali Institute of Economics), namely, Sjs. Sudha Kanta Dey, Bengali translator of Ricardo, Narendra Nath Roy, author of a Bengali Primer on Money, Rabindra Nath Ghosh, writer in Bengali on the history of economic theories in Europe and America as well as on Currency, Jitendra Nath Sen-Gupta, author of a Bengali

work on Exchange Banks, Sudhish Ranjan Biswas, writer on public finance and foreign trade, Kamakhya Charan Bose, writer on labour conditions and international legislation, Bijoy Krishna Saha, student of internal trade, and last but not least, Monindra Mohan Moulik, editor of the *Insurance and Finance Review* as well as of *Clive Street* (Bengali monthly of commerce and industry) it is my pleasure and duty to acknowledge the friendly services received during many hours of co-operative thinking and research on economic problems.

Nor must I omit to express my obligations to the chemical engineer, Prof. Banerjee of the College of Engineering and Technology, Jadabpur, Calcutta, for the many valuable ideas on industrialism derived from him, as well as to Dr. Narendra Nath Law, Director of *Arthik Unnati* (Economic Progress), the Bengali monthly of economics, whose patronage of academic research in varied fields is appreciated by Bengali scholars.

A tribute of sincere respect is to be paid in this connection to the memory of the late Major B. D. Basu, I.M.S., part-author of *Indian Medicinal Plants*, the first President of the Bangiya Dhana-Vijnan Parishat, from whom I derived constant inspiration in economic investigation especially with reference to the preparation of this work.

The several hours of intimate contact I was privileged to enjoy with Sir Brajendra Nath Seal, the present President of Bangiya Dhana-Vijnan Parishat, during his short sojourn in Calcutta were hours of profound intellectual activity with myself as with my other colleagues. I recall with gratefulness the fact that Sir Brajendranath made it a point to attend and took part in that meeting of the Parishat in 1928 at which my paper on "Colliery Labourers in Jharia" was the topic for discussion.

SHIB CHANDRA DUTT

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## Chapter I

### The Two Poles of Indian Economic Thought

The elements of "modern" economic life are not rare in present-day India.<sup>1</sup> India today has a bank deposit of Rs. 1,419,631,000 distributed in 33 Banks (with capital of Rs. 500,000 or over) including the Imperial Bank (Capital: Rs. 56,250,000), 62 Life Insurance Companies (total income: Rs. 49,169,000 and life insurance funds: Rs. 202,216,000), 41,724 miles of railway (total capital outlay: Rs. 8,567,462,000), 8129 factories (plus 1458 in Indian states), and 1,553,169 workers (plus 202,768 in Indian states).

But considering the vastness of the land and its enormous population the "industrialization" that has already taken place, though sufficient to make India the eighth industrial power in the world, is yet almost negligible. Most of the seven hundred thousand and odd villages of India are yet almost untouched by the currents of modern life. Agriculture forms the occupation of 73 p.c., industry (most of which is of the primitive and cottage type) of 10 p.c. of the people. Agriculture and cottage industries are carried on even today with the most elementary implements.<sup>2</sup>

1 *Statistical Abstract for British India 1920-21 to 1929-30* (Calcutta 1932), pp. 336, 675, 676, 479, 741-751, 747-755; *Statistical Tables relating to Banks in India 1929* (Calcutta) 1931, pp. 5-6.

See also Dutt: "External Capital for India" in *Arthik Unnati* (Economic Progress), Calcutta August 1927, "The Indian Factory Act of 1911 with Amendments and Rules down to 1928" in *A. U.*, October 1928. "Colliery Labourers in the Jheria Field" in the *Journal of the Bengal National Chamber of Commerce*, March 1929.

"Problems of Indian Labour" in the *Bengal Nagpur Railway Employees Journal* (Calcutta), for February and March 1933

2 Dutt: "The Road Problem of Bengal" in *A. U.*, Dec. 1930;

India, therefore, may well be said to stand at the cross-roads. On the one hand, we may fashion the economic life of this country after that of the advanced countries of Europe and America. On the other hand, we may try to cling with tenacity to a slightly modernized edition of the primitive economic system which prevails almost throughout the country. Both these alternatives are equally open to us today. Along what lines is the economic future of this great but yet undeveloped country to be directed?"

The "Industrialization" of India has indeed been actually advancing as a result of the efforts of both the people and the Government. On the other hand, an active and earnest endeavour is being made, in certain intellectual discussions at any rate, to hold fast to the idealized mediæval villages of India after applying slight patches of modernism here and there.

Which will the people of India follow? With which will

"Arambagh in Hooghly District (*J.B.N.C.*, Sept. 1931), "Mofussil Life in Bengal" in *A. U.*, November 1932. For the occupational structure of Bengal see the chapter on occupations in *Census of India 1931, vol. V. Bengal and Sikkim Part I* (Calcutta 1933), pp. 290-299 subsidiary Tables I-IV.) See also Appendix III (A note on the conditions of Rural Trade), pp. 313-314. In regard to entire British India and Indian States see the Tables on Occupations of Population in *Statistical Abstract*, pp. 36-40. The changing economic conditions may be surveyed in publications like the following: *Report of the Bengal Provincial Banking Enquiry Committee 1929-30*; Darling: *The Punjab Peasant in Prosperity and Debt* (1925); Mann: *Land and Labour in a Deccan Village* (1921).

3 Anstey: *The Economic Development of India* (London 1929) pp. 64-65, 478-85; Dutt: "Which Way Lies Economic Progress?" in *Clive Street* (Bengali economic monthly), August 1933.

4 Gadgil: *Industrial Evolution of India in Recent Times* (1924), Pillai: *Economic Conditions in India* (1925) and Sarkar: *Applied Economics*, vol. I. (1932) may be consulted. See also Dutt: "Rajendra-nath: The Commercial Giant of Modern Bengal" in the *Insurance and Finance Review* (Calcutta), January 1934.

Harris: *Life of J. N. Tata* (1925); Moulik: "Pramatha Nath Bose, the Geological Explorer" in *Clive Street* (Bengali journal of commerce and industry), November 1933.

they throw in their weight? Which of these deserves their deliberate, active and sincere support?

These questions demand an answer. The aim of this book is to provide the answer to these questions by studying the economic ideas and ideals of what may be regarded as two representative thinkers—Mahatma Mohandas Karamchand Gandhi and Prof. Benoy Kumar Sarkar. Gandhi does not profess to be an economist. But he has certain clear-cut and definite economic conceptions. And he has been trying his utmost with the whole weight of his personality to reconstruct the economic life of this country after his own heart. He is the spokesman of those who are opposed to the advance of modern industrialism in India. Besides, his economic ideas are often alleged to be in keeping with traditional Indian thought. The other side has its spokesmen too. Of the many Indian economists in this country today who are trying to offer a guidance to the economic activities of this land one of the prominent is Benoy Kumar Sarkar.

Our aim in this book is to discover the path which economic India should traverse if she is to develop herself and benefit the world. And it shall be our endeavour to discover that path by analyzing the economic conceptions and programmes of these two thinkers who may be said practically to stand at opposite poles so far as their economic ideas are concerned. And in order to place these two schools in the proper perspective let us begin with a bibliography of modern Indian economic thought. It is only when we visualize the back-ground of the ideologies associated with the names of Mahadeo Govinda Ranade (Poona), Ambika Charan Ukil (Calcutta), Romesh Dutt (Calcutta), Dadabhai Naoroji (Bombay), Satis Chandra Mukerjee (Calcutta) and other pioneers of modern Indian economics that the kind of topics discussed by the Indian economists and economic statesmen of today as well as the methods of investigation followed by them can be fully appreciated.

So far as Mahatma Gandhi's ideas are concerned, it is easy to trace them. They are all to be found in the different volumes of his journal *Young India*. Among books cited are to be

mentioned *Indian Home Rule* and *Speeches and Writings*. The dates of the publications have been given in the footnotes.

In regard to Prof. Sarkar's writings the following have been constantly made use of: (1) *Arthik Unnati* (Economic Progress), monthly journal (est. 1926), and (2) *Journal of the Bengal National Chamber of Commerce* (est. 1926), both edited by himself.

His *Vartaman Jagat* (Modern World) is a Bengali work in ten volumes (4,000 pages) published between 1914 and 1934. The following three volumes have been frequently referred to: (1) vol. II. Great Britain, vol. IV. U.S.A., and vol. V. Japan, all written during 1914-1917.

Among his English works the following have been made use of: (1) *Economic Development* (1926), (2) *Greetings to Young India* (1927), (3) *The Political Philosophies Since 1905* (1929), (4) *Applied Economics*, vol. I. (1932), (5) *Indian Currency and Reserve Bank Problems* (1933), (6) *Imperial Preference vis-a-vis World-Economy* in relation to the International Trade and National Economy of India (1934).

Two of his Bengali works have also been referred to in the footnotes, namely, (1) *Ekaler Dhana-daulat O Arthashastra* (The Wealth and Economics of Our Own Times), vol. I. (1930) and (2) *Naya Banglar Goda-Pattan* (The Foundations of a New Bengal), 2 vols., (1932).

Articles in journals as well as pamphlets and reports of lectures have been utilized. It has not, however, been possible to make use of his contributions in French, German and Italian.<sup>5</sup>

5 Dutt: "Fundamental Problems and Leading Idea in the Works of Prof. B. K. S." (*Bengal Nagpur Railway Employees Journal*, Calcutta, Sept. 1932). See the publishers' preface to Sarkar's *Naya Banglar Goda Pattan* (The Foundations of a New Bengal), 2 vols. (Calcutta 1932) for a chronological list of all his works, as well as Major B. D. Basu's Prefaces to Sarkar's *Introduction to the Science of Education* (London 1913) and *Political Philosophies since 1905* (Madras, 1928).

See also Dutt: "The Methodology of Research followed by, Bangiya Dhana Vijnan Parishat" (Bengali Institute of Economics) in the *Journal of the Bengal National Chamber of Commerce*, December 1929.

## Chapter II

### Thirty-five Years of Indian Economic Thought (1898-32)

It is in the midst of modest economic conditions, semi-mediæval and half-modernized as they are, or rather to help the people out of them that Indian economic thought has arisen. India is a sub-continent, like China, of appalling poverty, low standard of living and dangerous diseases many of which have been found elsewhere to be controllable. For Indian thinkers economics is the science not so much of wealth as of poverty and of the methods of combating it.

Dadabhai Naoroji, Mahadeo Govind Ranade and Romesh Chunder Dutt may be taken to be pioneers of the most recent phase of Indian economic thinking. We are taking 1898, the year of the first publication of Ranade's *Essays in Indian Economics*, as the starting point of the present bibliographical survey covering as it does some thirty-five years. The output is not negligible in volume and indeed has of late been growing in extent and variety.

A considerable portion of economic thinking in India is of an economico-political character. To socio-economic questions a part of the thinking has addressed itself, while economic history has arrested the attention of a large number of scholars. In regard to economic history, again, it deserves to be mentioned that part of it has reference to modern periods, say, since 1750 while no insignificant portion deals with ancient and mediæval India, based as it is on Sanskrit and Persian sources.

It is to be observed that in India as in other countries a great deal of economic writings has been published in the dailies, weeklies and monthlies of a general character. *East and West* (Bombay),

*The Modern Review* (Calcutta), the *Indian Review* (Madras), and the *Hindustan Review* (Allahabad) may be singled out as some of the monthly reviews such as have functioned to a certain extent as the organs of Indian economists. Contributions to these and other journals should therefore have to be listed in a proper history of modern Indian economic thought. It must not be ignored, further, that economic articles constitute a feature of monthly and other journals published in the different languages of India. Their influence on Indian opinion and character is very great. Economic journalism through the medium of the Indian languages has been exhibiting in recent years a tendency to grow in bulk. Some of the leading economists of today write in their own mother tongues—Bengali, Hindi, Gujarati, Urdu etc., as well as in English.

Special economic journals both in the Indian languages and in English have likewise to be mentioned as the organs of thought. The Hindi monthly *Swartha* (Economic Interests) of Benares, the Bengali review *Arthik Unnati* (Economic Progress), *Bangiya Bank-Sangha Patrika* (Journal of the Bengal Bankers' Federation), *Bhandar* (Co-operative Store), *Byabasa O Baniya* (Trade and Industry), *Jivan-Bima* (Life Insurance), and *Krishak* (the Peasant) may be cited as examples. In English the *Mysore Economic Journal* (Mysore), *Industry* and *Commercial India*, both of Calcutta are some of the oldest of the period under survey. The *Journal of the Indian Economic Society* (Poona) ceased to appear during the war but the *Indian Journal of Economics* (Allahabad) came into existence. There is a *Social Service Quarterly* at Bombay. Co-operative journals of a semi-quarterly character are issued from the different provinces. Labour journals have become prominent during the last decade chiefly under the auspices of the Railway and Post Office employees. The Indian Chambers of Commerce have their own organs among which the *Journal of the Bengal National Chamber of Commerce* and the *Journal of the Indian Merchants' Chamber* (Bombay) seek to function as economic journals of an all-round character. Last but not least may be mentioned the journals, some half a dozen or more, devoted exclusively to the interests of insurance business, of which the *Insurance and Finance Review* is

more an economic journal than an exclusively insurance magazine.

Publications in book form have of late been growing in number. But these are not to be considered to be the only or the chief formative forces in the shaping of Indian economic thought. The articles in the journals also are of substantial importance in this regard. A very large number of these articles can still be seen only in the pages of the journals in which they originally appeared.

The survey presented here is exhaustive neither in regard to authors nor in regard to topics. For historical purposes it is worth while to observe that the economic commissions of investigation instituted by the Government have furnished occasions to a very great deal of literary output. But not all of this output is available in book-form. Pamphlets or articles in journals must always have to be taken cognisance of in every attempt at an adequate history of economic thought. It is, besides, a matter of common experience that in the case of those authors whose writings are published first as essays in reviews or as pamphlets and subsequently as chapters in books there is a great interval of time between the publications in two forms. It is the date of the first publication, however, that is of importance in an historic survey. The first consideration is of course the interest of chronology. Besides, a consideration of substantial significance in India lies in the fact that the publishing business in regard to books happens yet to be shy. It is, therefore, on the publications in essay or pamphlet form that the ideas and sentiments of the public as well as of the researchers are actually nurtured. This aspect of the question has not been overlooked in the statement that follows.

The period of thirty-five years for which a part of the bibliography is presented here may be divided into three well-marked sub-periods: (1) pre-war period (1898-1913), (2) war-period (1914-18) and (3) post-war period (1919-32).

1898-1905

It is possible to break the pre-war period into two natural halves at 1905, especially because it is about this time that Indian scholars began to be conscious about their shortcomings in the output of economic thought. On the Bengal side a chief inspiring force was the literary work of Satis Chandra Mukerjee, editor of *The Dawn* and founder of the Dawn Society (1903), which was a study circle on topics bearing on economic welfare as well as public service.

Another inspiring figure of this period for Bengal in economic practice rather than in theory, however, was Ambika Charan Ukil (1866-1923), whose constructive enthusiasm for co-operation is responsible for the Indian Pioneers' Company Ltd., Calcutta (est. 1893), the first co-operative society in India of the Rochdale type, the Co-operative Union of India (est. 1895), the first of its kind enjoying, as it did, affiliation with the British Co-operative Union and the International Co-operative Alliance of Europe, as well as to a certain extent for the Triplicane Co-operative Urban Society Ltd., of Madras (est. 1904). He was, besides, the founder and first organizer of the Hindusthan Co-operative Insurance Society Ltd. (1907) and Co-operative Hindusthan Bank Ltd. (1908).

The Government Commissions of the first sub-period are enumerated below :

1898. Fowler Committee on Indian Currency : Report.

1898-99. Indian Plague Commission : Report (1901)

1900. Report of the Royal Commission on the Administration of the Expenditure of India (which commenced investigation in 1895).

1901-03. Indian Irrigation Commission : Report.

From 1898 to 1905 the output of Indian economic thought is being exhibited chronologically as follows :

1898. Ranade, M. G., *Essays in Indian Economics*.

1898. Ukil, A. C., *Economic Regeneration of India*—a pamphlet.

1898. *Samutthan* (Co-operative weekly in Bengali, editor, A. C. Ukil)

1898-1902. *The Dawn*, monthly (Editor, Satis Chandra Mukerjee)—economic articles.



1898. Mukerjee, S. C. : "Aspects of Economic Life in England and India" (*The Dawn*).

1899. "The Economic Situation in India and its Reaction on Indian Social Organization." (*The Dawn*).

1900. Dutt, R. C. : *Famines and Land Assessment in India*.

1900. Mukerjee, S. C. : "The Indian Economic Problem" (*The Dawn*).

1901-3. Dutt, R. C. : *Economic History of India*, Vol. 1. *Early British Rule*, Vol. 2. *Victorian Age*.

1901. Mukerjee, N. G. : *Hand-Book of Indian Agriculture*.

1901. Naoroji, D. : *Poverty and un-British Rule in India*.

1901. *Prabasi* (monthly in Bengali) : "The Science of Sugar."

1902. Chaudhuri, P. S. : "A Scheme for the Institution and Maintenance of Village Grain Banks" (*The Dawn*).

1903. The Dawn Society, Calcutta (Organizer, Satis Chandra Mukerjee).

1903. Iyer, G. S. : *Some Economic Aspects of British Rule in India*.

1903-05. Mukerjee, S. C. : Articles on Economic India in *The Dawn and the Dawn Society's Magazine*.

1903-04. Bose, P. N. : *The Geology and Mineral Resources of Mayurbhanj*.

1904. Bhatvadekar, B. K. : *Overcrowding in Bombay and the Problems of Housing*.

1904 Chatterjee, J. : "Importance of Industry from a social point of view" (*D. D. S. M.*).

1904. Dutt, R. C. : *Land Problem in India*.

1904. Ghosh, Rabindranarayan, : "The Indian System of Training Workmen for Manual Industries" (*D. D. S. M.*).

1905. Coomaraswamy, A. K. : *Art and Swadeshi*.

1905. Chakladar, H. C. : "Bengal Peasantry under European Indigo-Planters" (*D. D. S. M.*).

1905. Ghosh, Rabindranarayan : "Cities and Towns of India" (*D. D. S. M.*).

1905. Mukerjee, S. C. : "Principles of the Swadeshi Movement, Its Influence on the Indigenous Cloth Industry" (*D. D. S. M.*).

1905. The Servants of India Society, Poona (Organizer G. K. Gokhale).

1905. Shamasastri, R. : "Chanakya's Land and Revenue Policy" (*Indian Antiquary*).

1906-13

The period from 1906-13 was marked by the thoughts on the Swadeshi (Industrialization) Movement in Bengal and elsewhere. A chief centre of economic thinking on the Bombay side was the Servants of India Society (Poona), founded by Gopal Krishna Gokhale. The leading economic journal of the time was the *Journal of the Indian Economic Society* (Poona).

On the Bengal side the Dawn Society and its *Magazine* continued to function until 1913. To the inspiration furnished by this Society Bengal owes not only a number of researchers in economics, history and sociology but also a first class institute for higher technical education (College of Engineering and Technology, Jadavpur, near Calcutta) as well as pioneers of modernized industry and commerce.

The Government Commissions of the period can be seen as follows :

- 1906. Assam Labour Inquiry Committee : Report.
- 1908. Indian Factory Labour Commission : Report.
- 1908. Mackay Committee on Indian Railway Finance and Administration : Report.
- 1910. Sanderson Commission on Emigration from India to the Crown Colonies and Protectorates : Report.
- 1912. Atkinson-Dawson Committee on the Employment of Technically Trained Indians : Report.
- 1913. Chamberlain Royal Commission on Indian Finance and Currency : Report (1914).

The output of economic thought for all India is described below, as usual, of course by no means in an exhaustive manner :

- 1906. Mukerjee N. G. : *Suggestion on the Improvement of Silk Reeling in Bengal*.
- 1906. The Dawn Society Pamphlets :—
  - 1. *How to Start Industries with Small Capital*.
  - 2. *Swadeshi Articles exhibited at the Industrial Exhibition, Benares*.
  - 3. *Weaving and Spinning Cotton Mills of India*.
  - 4. *Principles of the Swadeshi Movement*.
- 1906. Mukerjee, S. C. : "The True Character of Boycott in Bengal" (D. D. S. M.).

1907. Das, K. N.—“Competition with Foreign Sugar” (*Prabasi*, Bengali monthly).
1907. Ghosh, Rabindranarayan—“The Houses We Live In” (*D. D. S. M.*).
1907. Sarkar, Benoy : *Swadesha-Sevaka* (The Servants of the Country) (in *Navya-Bharata*, Bengali monthly).
1907. Sen, G. K. : *Dhana-vijnan* (Science of Wealth) in Bengali.
1907. Tagore, S. N. : “Ambika Charan Ukil” (in *Co-operator*, Calcutta).
1908. Coomaraswamy, A. K. : *Medieval Sinhalese Art*.
1908. Chatterjee, A. C. : *Notes on the Industries of the United Provinces*.
1908. Dutt, D. : “Jute” (*Prabasi*).
1908. Guha, S. C. : “India as a Maritime Power” (*D. D. S. M.*).
1908. Gupta, G. N. : *The Industries and Resources of East Bengal and Assam*.
1908. Sarkar, A. B. : “Fruit Canning” (*Prabasi*).
1909. Coomaraswamy, A. K. : *The Indian Craftsman*.
1909. Metha, P. N. : *Survey of the Handloom Industry of the Bombay Presidency*.
1909. Sarkar, J. N. : *Economics of British India*.
1909. Talcherkar, V. A. : *Our Mill Hands and the Factory Labour Agitation*, a pamphlet.
1910. Ghosh, H. H. : *Advancement of Industry*.
1910. Sarkar, Benoy : *Economics* (based on Bagehot, Keynes, Marshall, Pierson and Gide).
1910. Wacha, D. E. : *A Financial Chapter in the History of Bombay*.
1911. Aiyangar, S. K. : *Ancient India, economic and financial institutions of the South*.
1911. Ghose, S. C. : *Indian Railway and Indian Trade*.
1911. Latif, A. : *The Industrial Punjab*.
1911. Law, N. N. : “Census in Ancient India” (*Modern Review*).
1911. Mookerji, N. C. : *Artha-niti O Artha-byavahar* (Economics) in Bengali, second edition, first edition in 1875.
1911. Mookerji, R. K. : *History of Indian Shipping from the Earliest Times* ; “Small Industries” (*Modern Review*).
1911. Ray, S. C. : *Rural Reform*.
1912. Datta, K. L. : *Report on the Rise of Prices in India* 5 Vols.
1912. Kale, V. G. : *Indian Economics*.
1912. Mukerji, N. G. : *Handbook of Agricultural Science*.

1912-16. Sarkar, Benoy : Bengali translation of the historical Section of Fredrick List's *Das Nationale System der Politischen Oekonomie* published as articles in *Grihastha*, *Prabasi*, *Upasana*, *Prabhati* and other monthlies, Calcutta (as book in 1932).

1912: Sarkar, Benoy : "Economic Tendencies of the Bengalis Today" (*Grihastha*, Bengali monthly).

1912-13. Sarkar, Benoy : English translation of *Sukraniti* (Hindu Politics, Economics and Sociology).

1912. Sarkar, Benoy : "The Prevention and Cure of Poverty" (*Grihastha*), "The Zamindars of Bengal" (*Grihastha*).

1913. Banerjea, P. N. : *Introduction to the Study of Indian Economics*.

1913. Das, N. C. : "Agricultural Education in Schools" (*Grihastha*),

1913. Dey, M. N. : "Tassar Silk Industry" (*Grihastha*).

1913. Jayaswal, K. P. : *Introduction to Hindu Polity*, financial sections (M. R.).

1913. Kale, V. G. : *Indian Industrial and Economic Problems*.

1913. Samaddar, J. N. : Bengali translation of Kautiliya's *Arthasastra* ; *Arthaniti* (Economics) in Bengali.

1913. Sarkar, Benoy : "Bengali translation of the American *Up from Slavery* by Booker Washington (economic and social conditions as well as technical education).

1913-1914. Sarkar, Benoy : *The Positive Background of Hindu Sociology*. Vol. 1. (The Data of Ancient Indian Mineralogy, Botany and Zoology).

## 1914-1918

A signal feature of the war-period (1914-18) was the work of the Indian Industrial Commission which sat in 1916 and reported in 1919. It was in 1916, again, that the Indian Economic Association was established as an association of University men. The first number of the *Indian Journal of Economics* came out likewise during the same year. Since then annual economic conferences of University men have been a regular feature of Indian academic life.

The two Commissions of the period are described below :

1916-18. Indian Industrial Commission : Report ( 1919 ).

1918. Royal Commission on Indian Constitutional Reforms (Mon-

For this period the output is as follows :

1914. Law, N. N. : *Studies in Ancient Hindu Polity*, economic and financial.

1914. Mukerjee, R. K. : "Who is the land owner,—the Peasant or the Zamindar ?" (*Grihastha*).

1914. Ray, R. T. : "Decline of the Silk Industry in Bengal" (*Grihastha*).

1914. Sarkar, Benoy : "The Economic Development of Spain and Portugal," "The Industry and Commerce of Holland" (*Grihastha*).

1914-15. Sarkar, Benoy : *Vartaman Jagat* (Modern World) in Bengali, Volumes on Egypt and the Great War : economic chapters.

1915. Dey, M. N. : "The Investigations at the Sericultural Institute, Pusa" (*Grihastha*).

1915. Gangoly, N. N. : *Grievances of the Tenantry in the Province of Agra*.

1915. Guha, A. C. : *A Brief Sketch of Land Systems of Bengal & Behar*.

1915. Neogy, P. : "Agriculture in Economic Bengal" (*Grihastha*).

1915. Ray, S. C., compiler. : *Agricultural Indebtedness in India and Its Remedies* : Selections from Official Documents.

1915. Ray, S. C., compiler : *Land Revenue Administration in India, The Permanent Settlement in Bengal*.

1915-16. Sarkar, Benoy : *Vartaman Jagat* (Modern World) Bengali : volume on Great Britain and Ireland : economic chapters.

1915. Sarkar, Benoy : "The Industry and Trade of Russia," (*Grihastha*).

1915. Shamasastri, R. : English translation of Kautilya's *Arthashastra* (Hindu Politics and Economics).

1915. Wacha, D. E. : *Life and Work of J. N. Tata*.

1916. Ayyar, V. : *Town Planning in Ancient Deccan*.

1916-18. *Indian Journal of Economics* established at Allahabad.

1916. Jain, P. S. : "Pauperism in India" (*Indian Journal of Economics*).

1916. Kale, V.G. : *Gokhale and Economic Reforms*.

1916. Law, N. N. : *Notes on the Commerce and Industries of Bengal* (Industrial Commission).

1916. Lal, M. : "Thoughts on India's Economic Position" (I. J. E.).

1916. Mukerjee, R. K. : *Daridrer Krandan* (The Cry of the Poor) in Bengali, *The Foundations of Indian Economics*.

1916. Mukerjee, P. : *The Co-operative Movement in India*.

1916. Rai, L. : *Young India* ; economic interpretations.

1916. Wattal, P. K. : *Population Problem in India*.

## 14 CONFLICTING TENDENCIES IN INDIAN ECONOMIC THOUGHT

1917. Balkrishna : *Industrial Decline in India*.  
1917. Banerjee, P. N. : *Public Administration in Ancient India*.  
1917. Ganga Ram : *The Agricultural Problem of India*.  
1917. Shastri, H. K. : *Fiscal Administration under Early Cholas*.  
1917. Tannan, Mohan Lal and Shah, : *Indian Currency and Banking Problems*.  
1917. Venkateswara, S. V. : "Mughal Currency and Coinage" (*I. J. E.* ).  
1918. Aiyangar, K. V. R. : "The Indian Fuel Problem with special reference to South India" (*I. J. E.* ).  
1918. Balkrishna : "Economics in Ancient India" (*I. J. E.* ).  
1918. Coyajee, J. C. : "Some Lines of Co-operative Progress" (*I. J. E.* ).  
1918. Ghosh, S. C. : *A Monograph on Indian Railway Rates*.  
1918. Law, N. N. : "*Vartta or Hindu Economics*" (*Indian Antiquary*).  
1918. Majumdar, R. C. : *Corporate Life in Ancient India*.  
1918. Matthai, J. : *Village Government in British India*.  
1918. Mookerji, R. K. : *Local Government in Ancient India*.  
1918. Pagar, S. M. : "Indian Income Tax" (*I. J. E.* ).  
1918. Reddy, E. V. S. : "Distribution of Agricultural Holdings" (*I. J. E.* ).  
1918. Sarkar, Benoy : "The International Fetters of Young China," a study in foreign finance (*Journal of Race Development, U. S. A.* ).

### 1919-25

The *Report of the Indian Industrial Commission*, published in 1919, may be regarded as, in a special sense, the starting point of contemporary economic thinking in India. Economic research by Indian scholars as distinguished from Indian politicians and publicists is essentially a post-war phenomenon and is barely half a generation old. The first half (1919-25) of this post-war period was rich in the commissions of inquiry instituted by the Government, as detailed below :

1919. Babington Smith Committee on Indian Finance and Currency : Report (1920).  
1919-20. Stores Purchase Committee : Report.  
1920. Chemical Services Committee : Report.  
1920-21. Acworth Committee on the Administration and Working Indian Railways : Report.

- 1921. Bengal Committee on Industrial Unrest : Report.
- 1921-22. Assam Labour Inquiry Committee Report.
- 1921-22. Indian Fiscal Commission : Report.
- 1921. South African Asiatic Enquiry Commission : Report.
- 1922. Bombay Industrial Disputes Committee : Report.
- 1922-23. Inchcape Retrenchment Committee : Report.
- 1923-24. Indian Mercantile Marine Committee : Report.
- 1924-25. Indian Taxation Inquiry Committee : Report (1926)
- 1925. Indian Economic Inquiry Committee : Report.
- 1925. External Capital Committee : Report.
- 1925. Raven Committee on Railway Workshops : Report (1926)
- 1925-26. Hilton Young Royal Commission on Indian Currency and Finance : Report.

The output of Indian economic thought is being described in the following list :

- 1919. Basu, P. C. : *Indo-Aryan Polity*.
- 1919. Dutt : G. S. : *A Practical Scheme of Agricultural Organization and Rural Reconstruction in Bengal*, a pamphlet.
- 1919. Gandhi, M. K. : *Indian Home Rule*.
- 1919-25. *Indian Journal of Economics*, Allahabad.
- 1919. Kale, V. G. : *India's War Finance and Post-War Problems of Currency Reform in India*.
- 1919. Rai, L. : *England's Debt to India*.
- 1919. Rawley, R. C. : *Report on Inquiry into the Utilization of Indian Silks in Great Britain and France*.
- 1919. Sarkar, Benoy : "Americanization from the View-point of Young Asia"—a study in immigration and labour legislation" (*Journal of International Relations, U. S. A.*).
- 1919. Tannan, M. : *Banking Needs of India*, a pamphlet.
- 1920. Balkrishna : "Labour Condition in India" (*M. R.*).
- 1920. Ball, U. N. : "Indian Currency and Foreign Exchange" (*M. R.*).
- 1920. Sarkar, Benoy : "The Economic Foundations of the State in Sukra's Political Theory" (*M.R.*).
- 1920. Bose, P. N. : *Economic Aspects of the Montagu-Chelmsford Reforms*.
- 1920. Chatterjee, H. S. : *Introduction to Indian Economics*.
- 1920. Deole, C. S. : "Stability of Exchange" (*I. J. E.*).
- 1920. Dubay, D. S. : "The Indian Food Problem" (*I. J. E.*).
- 1920. Law, N. N. : "Lines of Economic Reconstruction" (*Indian Business*).

1920. Nanda, G. L. : "Labour Unrest in India" (I. J. E.).
1920. Sarkar, Benoy : *Gilde di mestier e gilde mercantili nell' India antica* ( *Giornale degli Economisti e Rivista di Statistica*, Rome).
1920. Shah, D. A. : *Indian Point of View in Economics*.
1920. Tamhankar, K. V. : "Agricultural Education." (M.R.).
1921. Chatterjee, P. : "The Exchange Question." (M.R.).
1921. Dubay, D. S. : *The Way to Agricultural Progress*.
1921. Choudhury, N. C. : *Jute in Bengal*.
1921. Iyer, K. V. G. : *Indian Industrialism*.
1921. Kale, V. G. : *India's War Finance and Post-War Problems*.
1921. Panandikar, S. G. : *Some Aspects of the Economic Consequences of the War for India*.
1921. Mukerjee, R. K. : "Conflict of Economic Types and Regions" ( M. R. ).
1921. Ruthnaswami, M. : *The Political Philosophy of Mr. Gandhi*.
1921. Sarkar, Benoy. : "Economics of Indian Guilds" ( *Journal of the Indian Economic Society*, Bombay ) ; *The Positive Background of Hindu Sociology*, Vol. II. Part I ( Economic ) ; "The Public Finance of Hindu Empires" ( *Annals of the American Academy of Political and Social Science*, Philadelphia ).
1921. Shah, K. T. : *Sixty Years of Indian Finance*.
1921. Tiwari, R. S. C. P. : *The Indian Railways*.
1922. Bhalla, R. L. : *An Economic Survey of Bairampur*.
1922. Bose, G. C. : "Education with reference to Agriculture" ( M. R. ).
1922. Das, R. K. : "The Problem of Woman Labour" ( M. R. ).
1922. Davar, S. R. : *Business Organization*.
1922. Gandhi, M. K. : *Young India* ( 1919-22 ).
1922. Ghosh, J. : *A History of Land Tenure in England*.
1922. Joshi, R. M. : *Indian Export Trade*.
1922. Kale, V. G. : *The Dawn of Modern Finance in India*.
1922. Lahiri, S. K. : "Indian Fiscal Policy" (M.R.).
1922. Narayan Murti, K. S. : *Position of Middlemen in Village Industries*, a pamphlet.
1922. Rau, B. R. : *Present-Day Banking in India*.
1922. Roy, M. N., and Mukerji, A. : *India in Transition*.
1922. Sarkar, Benoy. : "Die soziale Philosophie Jung-Indiens" ( *Deutsche Rundschau*, Berlin ) ; "Germany's Chances in India's Overseas Trade" ( *Export-Import Review*, Berlin ) ; *Vartaman Jagat* (Modern World), Volume on the U. S. : economic chapters.
1922. Sarkar, J. N. : "State Industries in Moghul Empire" (M. R.).



1922. Shah, K. T. : *Indian Currency, Banking and Exchange*.
1922. Vakil, C. N. : *Our Fiscal Policy*.
1922. Viswanatha, S. V. : *Interest on Loans in Ancient India*.
1923. Ambedkar, B. R. : *The Problem of the Rupee*.
1923. Banerjea, P. N. : *Fiscal Policy in India*.
1923. Banerji, K. C. : *Bharate Durbhiksha* (Famine in India) in Bengali.
1923. Banerji, K. P. : *Madhya-yuger Bangla* (Medieval Bengal).
1923. Bhatnagar, B. G. : "The Bases of Indian Economy" (I. J. E.).
1923. Chowdhuri, K. C. : "Economic Aspects of the Rice Export Trade" (*Calcutta Review*).
1923. Das, R. K. : *Factory Labour in India; Factory Legislation in India ; Hindustani Workers on the Pacific Coast; Labour Movement in India*.
1923. Gandhi, M. K. : *Letters on Indian Affairs*.
1923. Hyder, L. K. : "Early Commerce of India" (I. J. E.).
1923. Iyer, K. V. : *Indian Railways*.
1923. Mukerjee, R. K. : *Principles of Comparative Economics* in two vols.
1923. Pherwani, S. N. : *Social Efficiency*.
1923. Rau, B. R. : *Present-Day Banking in India*.
1923. Ray, M. and Chatterji, K. N. : "The Match Industry" (M. R.).
1923. Samaddar, J. N. : *The Economic Condition of Ancient India*.
1923. Sarkar, Benoy. : "The Economic Back-ground of Turkish Victories" (*Commercial News*, Berlin; Editor : Sarkar).
1923. Sen, K. C. : *The Match Industry in India*, a pamphlet.
1923. Shah, K. T. : *Trade, Tariffs and Transport in India*.
1923. Tagore, S. N. : "Ambika Charan Ukil" Co-operator ( 1866-1923 ). ( *The Servant*, Calcutta ).
1923. Vakil, C. N. : "Our Public Debt—Its Origin" ( M. R. ).
1923. Verma, J. N. : "Origin of the Cotton Industry in India" (I. J. E.).
1923. Wattal, P. K. : "System of Financial Administration in British India."
1924. Basu, B. D. : *History of Education in India under the Rule of the East India Company*.
1924. Bhatnagar, B. G. : *Currency and Exchange in India*, "Kautilya Circle" ( I. J. E. ).
1924. Chablani, H. L. : *Indian Currency and Exchange*.
1924. Chatterjee, P. K. : "The Gold Exchange Standard before and after the War" (*Calcutta Rev.* ).

1924. Coyajee, J. C. : *Indian Fiscal Problems*.
1924. Das, R. K. : *Production in India*.
1924. Das Gupta, J. C. : "Steel Development in India" (*Cal. Rev.*).
1924. Dey, E. : *Swadeshi Shilpa* ( Home Industry ) in Bengali.
1924. Dey, M. N. : *Kutir Silpe Endikit* (Endi Silk Worm in Cottage Industry ) in Bengali.
1924. Dhari, A. : *Economic Possibilities of Kapurthala*.
1924. Dutt, D., *Peasant Proprietorship in India*.
1924. "Emigrant" : *Indian Emigration*.
1924. Gadgil, D. R. : *The Industrial Evolution of India in Recent Times*.
1924. Indians Abroad Bulletin : *British Guiana*.
1924. Mukerjee, R. K. : "The Problem of Agricultural Labour in India" (*Mod. Rev.*).
1924. Pillai, P. P. : "The Financing of Indian Industry" (*I. J. E.*).
1924. Prasad, C. : "Separation of Railway Budget" (*Hindustan Review*, Allahabad ).
1924. Purakayastha, K. N. : *The A. B. C. of Indian Finance*.
1924. Ramaiya and Iyer : *A National System of Taxation*.
1924. Ramaiya, A. : "Protection of the Indian Steel Industry" (*I. J. E.*).
1924. Sarkar, Bejoy : *Indian Transportation in Medieval India*.
1924. Sarkar, Benoy : "The Backbone of Industrial Germany" (*Mod. Rev.*), "Currency Crisis in Germany" (*Welfare*), *Die Industrialisierung Indiens* (*V. D. I. Nachrichten* Berlin), "Economic Life in the Balkans" (*Forward*), "Economic Rejuvenation of France (*Forward*), "The Economics of Reparations" (*Mod. Rev.*), "German Technical Schools for Special Industries" (*Mysore Economic Journal*), "The Methodology of Research in Economics" (*Mod. Rev.*), "A New India in Agriculture" (*Forum*, Calcutta), "The New Land-laws of Central and South-eastern Europe" (*Forward*), "The State Bank of Soviet Russia" (*Forum*), "The Stinnes Complex in German Industry" (*Calcutta Review*), "Theories of Money—Old and New" (*Mod. Rev.*), The "Transition in Italy to an Industrial State" (*Forward*), "The Vocational Schools of Germany" (*Commercial News*, Berlin).
1924. Sarkar, J. N. : *Mughal Administration*.
1924. Shah and Khambatta : *Wealth and Taxable Capacity of India*.
1924. Shah, J. N. : *History of Indian Tariff*.
1924. Sinha, J. C. : "Bengal in Olden Times, 1707-57" (*Cal. Rev.*)
1924. Vakil C. N. : *Financial Developments in India*.

1925. Ambedkar, B. R. : *The Evolution of Provincial Finance in British India*; "The Present Problem in Indian Currency" (*The Servant of India*, Bombay).

1925. Banerjea, D. N. : "Indian Irrigation and the Punjab Colonies" (*International Review of Agricultural Economics*, Rome).

1925. Banerjee, N. C. : "*Economic Life and Progress in Ancient India*."

1925. Basu, B. D. : *The Colonisation of India by Europeans*.

1925. Basu P. C. : *The Economic Development of India*, Vol. 1., *The Middle Class People in Calcutta*.

1925. Das, T. N. : "Some Aspects of the Population Problem in India" (*Mod. Rev.*).

1925. Gupta, R. D. : "The Relation of House Accommodation to Child Mortality" "The Relation of House Rent to Income" (*I. J. E.*)

1925. Jagtiani, H. N. : *The Role of the State in the Provision of Railways*.

1925. Joshi, N. M. : "Labour and Housing in Bombay" (*The Servant of India*).

1925. Kaul, B.N. : "Some Indices of Prices of Securities and their Relation to Money Market" (*I. J. E.*).

1925. Lokanatham, P. B. : "Principles of Labour Legislation in India" (*I. J. E.*).

1925. Madan, B. F. : *India's Exchange Problem*, 2 Vols.

1925. Matthai, J. : *Agricultural Cooperation in India*.

1925. Mukerjee, R. K. : "Agricultural and Agrarian Problems in Bengal" (*Mod. Rev.*).

1925. Panandikar : *Wealth and Welfare of the Bengal Delta*.

1925. Pillai, P. P. : *Economic Conditions in India*.

1925. Rau B. R. : *The Economics of Leather Industry*.

1925. Sarkar, Benoy : "Agricultural Policy in Post-War Britain" (*Welfare*), "Economic Legislation in the Small Holdings Movement" (*Mod. Rev.*), "A Scheme of Economic Development for Young India" (*Mod. Rev.*).

1925. Sen, I. B. : "Land Systems in Central and Eastern Europe" (*The Servant of India*).

1925. Shah, K. T. : *Constitutions, Functions and Finance of Indian Municipalities*.

1925. Sinha, J. C. : "The Earliest Currency Committee in India (1787)" (*Mod. Rev.*); "The Dacca Muslin Industry" (*Mod. Rev.*).

1925. Wadia, P. A. and Joshi G. N. : *The Wealth of India*,

1926-32

The recent sub-period (1926-32) has witnessed the expansion of interest in economic research on a considerable scale. The number of investigators as well as journals and institutions for the carrying on of investigations has increased. An important event on the Bengal side is the establishment in 1926 of the Bengali monthly, *Arthik Unnati* (Economic Progress), which is a journal of world-economy and international statistics with bearings on India. Two private seminars for research, likewise in the Bengali language, have served also to furnish a stimulus to economic discussion and publication. One is the *Bangiya Dhana-Vijnan Parishat* (Bengali Institute of Economics) established in October 1928, and the other the "*Antarjatiḥ Banga*" *Parishat* ("International Bengal" Institute) in April 1932. Some half a dozen Research Fellows carry on investigations under the auspices of each of these Institutes. One must not overlook, besides, the Economic Societies established during this period, although under diverse names, not only at the different Universities of India but also at many of the higher grade colleges.

The following is the list of commissions of inquiry set up by the Government :

- 1926-28. Royal Commission on Indian Agriculture : Report.
- 1927. Road Committee : Report (1928).
- 1927-29. Indian States Committee : Report.
- 1929-31. Statutory Commission on the Indian Constitution (Simon) ; Report.
- 1929-31. Indian Banking Inquiry Committee : Report.
- 1929-31. Indian Labour Commission : Report.
- 1932. Indian Delegation to the Imperial Conference at Ottawa : Report.

The output in Indian economic thought is tabled below :

- 1926. Advani, G. : *Etudes sur la vie rurale dans le Sind*.
- 1926. Ahmed, T. : "Agriculture in America" (*Arthik Unnati*), "The Labour Movement in Japan" (*A. U.*).
- 1926. Aiyar, G. V. Ganapathi : *Indian Industrialism*.
- 1926-32. *Arthik Unnati* (Economic Progress), Bengali monthly

1926. Basu, B. D. : *Ruin of Indian Trade and Industries.*
1926. Chakravarty, D. C. : "Coal, Cotton and Tariff in India" (*Journal of the Bengal National Chamber of Commerce*), "Textile Industry in India and Japan" (*J. B. N. C.*).
1926. Chand, G. : *The Financial System of India.*
1926. Das, B. M. : "The Technology of Tanning and Finished Leathers" (*J. B. N. C.*).
1926. Dass, B. : "Prospects of Oil Industry in India" (*Modern Review*).
- 1926-29. Dey, S. K. : Bengali Translation of Ricardo's *Principles of Political Economy and Taxation* (*A. U.*).
- 1926-30. Ghose, Rabindranath : "History of Economic Thought in Europe from the Earliest Times" (*A. U.*).
1926. Ghose, S. C. : "Railway Finance" (*Calcutta Review*).
- 1926-32. *Indian Journal of Economics* (Allahabad).
- 1926-32. *Journal of the Bengal National Chamber of Commerce* (Editor : Benoy Sarkar).
1926. Karwal, G. D. : "The Problem of Low Agricultural Production in India" (*I. J. E.*).
1926. Lokanathan, P. and S. : "Foreign Capital in India" (*I. J. E.*).
1926. Madhava, K. B. : *Statistical Analysis of Life Insurance Business in India Since 1933.*
1926. Morarjee, N. : "Problems in Indian Mercantile Marine." (*J. B. N. C.*).
1926. Mukherjee, R. K. : *The Ground-work of Economics ; The Rural Economy of India.*
1926. Narain, B. : "Eighty Years of Punjab Food Prices" (*I. J. E.*).
1926. Oak, V. V. : *England's Educational Work in India : Financial Aspects.*
1926. Pal, H. : *Life Assurance* (*A. U.*).
- 1926-28. Palit, H. D. : "Economic Transformation of the Races and Castes in Modern Bengal" (*A. U.*).
1926. Pherwani, S. N. : *Municipal Efficiency.*
1926. Prasada, C. : "Condition of Indian Railwaymen."
1926. Puntambekar and Vardachari : *Handspinning and Hand-weaving.*
1926. Ranga, N. G. : *Economic Organization of Indian Villages.*
1926. Rau, B. R. : *Banking in India, Economics of Leather Industry.*
1926. Ray, N. : *Takar Katha* (On Money) in Bengali.
1926. Ray, S. K. : "Hydroelectric Power Possibilities in Bengal" (*J. B. N. C.*).

1926. Rudra, N. G. : "Agriculture in Murshidabad and Nadia" (A. U.).
1926. Sanyal, N. : "Silk Industry in Murshidabad" (A. U.).
1926. Sapre, B. G. : *Economics of Agricultural Progress*.
1926. Sarkar, Benoy : *Economic Development*, "Economics in Hindu Thought" (*Indian Historical Quarterly*), "Insurance for Sickness, Accident and Old Age" (A. U.), "Law and the Cultivator : The Example of France" (J. B. N. C.), "New Orientations in Commerce (J. B. N. C.), "The New Woman in the Economic World" (A. U.), *Parivar, Gosthi O Rastra* (Bengali translation of Engels's *Entstehung der Familie, des Eigentums und des Staates*), "Shipping and Railway Policies in Economic Legislation" (J. B. N. C.), "Works-Council in the Labour World" (A. U.).
1926. Sen, N. : *Indian Capital and the Tea Industry of Assam and Bengal*, a pamphlet.
1926. Thomas, P. A. : *Mercantilism and the East India Trade*.
1926. Wadia, P. A. and Joshi, G. N. : *Money and the Money Market in India*.
1927. Ahmed, T. : "Robert Owen and Louis Blanc" (A. U.), "The Cotton Industry of India" (A. U.), "The Municipal Administration of Calcutta" (A. U.).
1927. Balkrishna : "Hindu Taxation System" (I. J. E.).
1927. Basu P. C. : *Economic Principles for Indian Readers*.
1927. Bhatnagar, B. G. : *Co-operative Organization in British India*."
1927. Dadachanji, B. E. : *History of Indian Currency and Exchange*.
1927. Das, A. K. : *The Shillong Hydroelectric Ltd.* (A. U.).
1927. Das, R. K. : "Wastage of India's Man Power." (M. R.).
1927. Dass, B. : "Hydrogenation of Oils and its Commercial Possibilities in India" (J. B. N. C.); "The Importance of Chemical Technology in India" (*Bengal Technical Institute Magazine*).
1927. Deshpande, S. R. and Ghurye, G. S. : "Some Village Studies" (I. J. E.).
1927. Dey, S. K. : "The Economic Recovery of Germany" (A. U.).
- 1927-28. Dey, S. K. : "The Streets of Calcutta" (A. U.).
1927. Dutt, S. C. : *External Capital for India* (A. U.).
1927. Ghose, S. C. : *Organization of Railways*.
1927. Ghose, S. C. : *Indian Railway Economics*.
1927. Ghosh, A. K. : "Indian Trade in Africa" (A. U.), "The Population Problem of Japan and Italy" (A. U.).

1927. Iyengar, S. K. : *Studies in Indian Rural Economics*.
1927. Latif, S. A. : "Taxation of Agricultural Incomes in Bengal" (*I. J. E.*).
1927. Madhava, K. B. : "Trade Unionism," "Analysis of Trade Disputes" (*I.J.E.*), "Investment of the Funds of the Indian Life Offices (*Indian Insurance Journal*), "Official Statistics" (*Half Yearly Journal of the Mysore University*).
1927. Mehta and Subbaya : *Co-operative Movement in India*.
1927. Mehta, N. B. : *Indian Railway Rates and Regulations*.
1927. Mukerjee, R. K. : *The Borderlands of Economics; Democracies of the East*; "Labour Welfare and City Improvement in India" (*M. R.*).
1927. Mukerji, B. B. : "Consolidation of Agricultural Lands in Bengal" (*Cal. Rev.*).
1927. Narain B. : *Eighty Years of Punjab Food Prices*.
1927. Narain, B. : *The Population Problem in India*.
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Without going into a detailed examination of the materials exhibited in the bibliographical data presented above it may be observed that the number of economic journals is yet very small. Essays in general magazines will continue for a long time to come to be a principal form of output in the Indian economic fields.

Besides, up till now the books bearing on "Indian economics" as a whole or on some of its particular branches, e.g., on agriculture, industry, commerce, finance, currency etc., have been mainly in the nature of convenient summaries of Government Reports such as may be used by University students in order to obtain a knowledge of the present-day facts and their historical development. And the attitude of the summarizers, in so far as it is critical, is generally speaking one of opposition to the Government's policies in economic legislation. Perhaps this methodology is on the verge of exhaustion and the intellectuals are tending to be on the look out for more fruitful and constructive methods of economic investigation, glimpses of which it may not be difficult to find already in the publications of some of the authors mentioned above. The beginnings of more scientific and objective studies in economic questions, Indian as well as non-Indian, may be expected on a somewhat large scale in the near future.

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Abbreviations used :

1. D. D. S. M. *The Dawn and the Dawn Society's Magazine.*
2. M. R. *The Modern Review.*
3. I. J. E. *The Indian Journal of Economics.*
4. C. R. *The Calcutta Review.*
5. A. U. *Arthik Unnati (Economic Progress), Bengali monthly.*
6. J. B. N. C. *The Journal of the Bengal National Chamber of Commerce.*
7. P. B. *Prabuddha Bharata or Awakened India, monthly in English.*
8. I. U. I. *Indian Commerce and Industry.*

## Chapter III

### Gandhi's Economic Ideas

#### I. *Western Civilisation*

Be this as it may, we shall now take up the economic ideas of Gandhi. Now his attitude towards Economics and economic problems is coloured by his attitude towards the so-called Western civilisation. Hence the treatment of Gandhi's economic ideas must begin with a treatment of his attitude towards what is usually referred to as 'western' civilisation, but what should more appropriately be referred to as 'modern' civilisation.

Eastern and western civilisations are regarded by Gandhi as having almost opposite characteristics. It is said that the eastern civilisation is spiritual and has for its aim the discovery of spiritual laws and that the western is materialistic and has for its end the discovery of material laws. The former is said to teach the limitation of worldly ambition and the cultivation of an unlimited spiritual aspiration. The latter is said to inculcate the cultivation of an unlimited material ambition. Eastern civilisation, it is said, inculcates belief in a future state; but such a belief is said to be only superficial in the West. Western civilisation is said to encourage an intense material activity; but this, it is argued, is condemned in the East. According to him, the life-corroding competition of the western civilisation is sought to be prevented in the eastern. "Just as in the West," says Gandhi, "they have made wonderful discoveries in things material, similarly Hinduism has made still more marvellous discoveries in things of religion, of the spirit, of the soul."<sup>1</sup> Elsewhere he says: "The distinguishing characteristic of modern civilisation is an indefinite multiplicity of human wants. The characteristic of ancient civilisation is an imperative restriction upon and a strict regulating of these wants. The modern or western insatiableness arises really from

want of a living faith in a future state, and therefore also in Divinity. The restraint of ancient or Eastern civilisation arises from a belief, often in spite of ourselves, in a future state and the existence of a Divine Power."<sup>2</sup>

These two civilisations, according to him, have grown up in different surroundings. It is for this reason that, in his opinion, their characteristics differ. "It is likely that the West has evolved a civilisation suited to *its* climate and surroundings, and similarly we have a civilisation suited to *our* conditions, and both are good in their own respective sphere."<sup>3</sup>

Hence, in his opinion, Indians should not attempt to adopt western civilisation. If they attempt to copy it, they will, in his opinion, bring about their ruin. India has not perished till now only because, as he explains it, she has faithfully clung to her own civilisation. Western civilisation aims at material progress and hence, in his view, is not suited for the spiritual progress which is the aim of eastern civilisation. "We are dazzled by the material progress that western science has made. I am not enamoured of the progress." In fact, it almost seems as though God, in his opinion, had prevented India from progressing along those lines, so that it might fulfil its special mission of resisting the onrush of materialism. "After all, there is something in Hinduism that has kept it alive up till now.....And the reason why it has survived is that the end which Hinduism set before it was not development along material but spiritual lines."<sup>4</sup>

Each is pointed out as having its own peculiar defects. The westerners are said to be manfully struggling to remove the evils of their civilisation. Indians also should attempt to remove the defects of their own civilisation, but should not, in his opinion, imitate the civilisation of the West. "There is no doubt," wrote Gandhi in 1927, "that infantile crime and lawlessness among boys and girls are sufficiently extensive in the New World to make us beware of a civilisation which must be held responsible for those crimes and lawlessness. That life in the West goes on, and, it

2, 3 *Young India*, 1927 p. 176.

4 *Ibid.*, p. 396.

may be said, progressively after a fashion,—in spite of these infantile crimes, may be granted. And it has also to be granted that the wise people of the West are not only not unaware of the evil, but that they are manfully struggling to overtake it. Nevertheless, we have to decide whether we shall indiscriminately copy this civilisation. We may well pause in the face of the awful revelations that come to us from the West from time to time, and ask ourselves, whether after all it is not better to hold by our own civilisation and seek, in the light of the comparative knowledge that is available to us, to reform it by removing its known excrescences.”<sup>5</sup>

There is no objection to learning some useful things from the West. “I am humble enough to admit,” says he, “that there is much that we can profitably assimilate from the West. Wisdom is no monopoly of any continent or race. My resistance to western civilisation is really a resistance to its indiscriminate and thoughtless imitation based on the assumption that Asiatics are fit only to copy everything that comes from the West.”<sup>6</sup>

But, the introduction of western civilisation as such is, in his view, to be resisted. Adaptations may be made, but any radical change must be opposed.<sup>7</sup> Changes may be tolerated, provided the ideal of material progress is not substituted for that of spiritual progress, and the habit of the restriction of wants is not replaced by that of their multiplication. “I do not believe that multiplication of wants, and machinery contrived to supply them is taking the world a single step nearer its goal. ‘Comrade Saklatwala’ swears by the modern rush. I whole-heartedly detest this mad desire to destroy distance and time, to increase animal appetites and go to the ends of the earth in search of their satisfaction. If modern civilisation stands for all this, and I have understood it to do so, I call it Satanic.”<sup>8</sup> “Some of the immediate and brilliant results of modern inventions are too maddening to resist. But I have no manner of doubt that the victory of man lies in that

5 *Young India*, 1927 p. 176.

6 *Ibid.*, 253.

7 *Gandhi's Speeches and Writings* (Madras), p. 299.

8 *Young India*, 1927, p. 85.

resistance. We are in danger of bartering away the permanent good for a momentary pleasure."<sup>9</sup>

Most of the masses in India are, in his opinion, still immune from the influence of western civilisation. But he thinks that the cities, especially the educated classes, have taken to a blind imitation of the West.<sup>10</sup> Their faith in their own civilisation should, in his opinion, be revived. This does not, however, mean,—as Gandhi points out—a revival of the ancient Aryan civilisation as it was. For he thinks that we do not know what ancient Aryan civilisation exactly was, or when it flourished. "I do not however think that the alternative to superficial Europeanisation consists in a complete reversion to the ancient Aryan tradition. I hold with that great thinker Justice Ranade that there is no such thing as a literal complete revival of ancient tradition possible, even if it were desirable. It is difficult to state unerringly the period which can be described as the 'golden age' and then to give a categorical description of that age."<sup>11</sup>

Gandhi recognizes that a tendency towards the better has been manifesting itself in the West, but he is doubtful whether the West can evolve anything better than the Hindu system of life and culture. "I gladly admit," says he, "that a new power for the good is slowly but surely arising in the West. Whether it will transcend all Hindu experience or not, I do not know, But I should welcome every fresh contribution to the enrichment of humanity, no matter where it comes from."<sup>12</sup>

## II. *Industrialism*

Industrialism, according to Gandhi, seems to signify an economic system in which large-scale industries are carried on by capitalists for their personal profit.

He styles himself an uncompromising opponent of industrialism. The reasons for his attitude are as follows:—

1. Industrialism thrives on the exploitation of conquered

9 *Young India*, 1927 p. 176.

10 *Indian Home Rule* p. 66; *Young India*, 1927, p. 176.

11 *Young India*, 1927, p. 253.

12 *Ibid.*, p. 253.

racess. The industrialism of Europe, it is argued, has led to the loss of liberty of many races. What other races, he asks, will India exploit? "If an entire nation of 300 millions took to..... economic exploitation, it would strip the world bare like locusts." No other race, it is said, is available for exploitation by such a big country as India. Hence, industrialism in India, in Gandhi's opinion, can only lead to the exploitation of the Indian masses.

2. Industrialism leads to competition for markets abroad, which in its turn leads to war. "Exploitation brings in its train the craving for markets, and that brings wars. This craving must be destroyed, and it can be done only by every cottage being able to satisfy its vital necessities, and thus making the nation self-contained."<sup>13</sup>

3. It leads to the destruction of village life. He says that it is too early yet to say that the destruction of village life conduces to the benefit of the West or of humanity.<sup>14</sup>

4. It brings about unemployment through the application of machinery and natural power to the work of production.

5. It leads to the concentration of wealth in a few hands and hence to the control of the majority by the minority.

Because of these evils industrialism is regarded as 'all evil'. "The fact is that this industrial civilisation is a disease because it is all evil." The advent of industrialism must be resisted at any cost. Khadi itself is regarded as a weapon for fighting industrialism.

While industrialism is regarded as 'all evil', Gandhi is of opinion that it can be controlled. For, industrialism is like a force of Nature, and it is given to man to control Nature and to conquer her forces.

Probably this idea has led him to hold the view that as regards the cotton mills which have been already established in India, the solution is to be found not by destroying them, but by inducing their owners to regard their mills as a national trust and hence to conduct them for the welfare of the people. If the

<sup>13</sup> *Young India*, 1927, p. 276.

<sup>14</sup> *Ibid.*, p. 150.

capitalists do not take this step, 'they will', in his opinion, 'either destroy themselves or destroy the masses.'

It has been said already that Gandhi is of opinion that industrialism is an evil and that it is to be resisted at all costs. But he also advances the view that the conditions of India and Europe are so very different that to try to industrialize India is 'to attempt the impossible'. But he goes even further. Not only will India, in his opinion, never be industrialized like Europe, but Europe must go back to her simplicity and village life if she is to be saved from ruin. "What may be hoped for is that Europe on account of her fine and scientific intellect will realise the obvious and retrace her steps, and from the demoralizing industrialism she will find a way out. It will not necessarily be a return to the old absolute simplicity. But it will have to be a reorganisation in which village life will predominate, and in which brute and material force will be subordinated to the spiritual force."<sup>15</sup>

### III. Machinery

Gandhi's present attitude towards machinery is not the same as it was when he wrote *Indian Home Rule* (4th edition, 1921). In that book he vehemently opposes all machinery and all the modern methods of communication and transportation without exception. A few specimens of his views on machinery as expressed in the pages of that book (Chapter XIX) are being given here: "Machinery represents a great sin" (p. 105); "It is necessary to realize that machinery is bad" (p. 109); "If the machinery craze grows in our country, it will become an unhappy land" (p. 106); "I cannot recall a single point in favour of machinery. Books can be written to demonstrate its evils" (p. 109).

The reasons for this attitude towards machinery, so far as we can gather from the above-mentioned chapter, are: (1) The Manchester machineries are responsible for the destruction of Indian handicrafts and hence for the impoverishment of India; (2) Europeans themselves are heading towards ruin because

<sup>15</sup> *Young India*, 1924-26, p. 683.

of machineries; (3) the condition of labourers plying machineries in factories is miserable; (4) machineries are products of Western civilisation.

His attitude towards machineries as evident in the pages of *Young India* (1924-28) is not one of uncompromising hostility.

His principal grievances against machineries as mentioned in *Young India* (1924-28) are these: (1) They cause unemployment; (2) they bring about the concentration of wealth in a few hands; (3) they 'make atrophied the limbs of men'; (4) they do not advance men's spiritual progress; on the contrary, they hinder it; (5) they give rise to 'needless worry and fateful hurry.'

"What I object to is the *craze for machinery*, not *machinery as such*. The craze is for what they call labour-saving machinery. Men go on saving labour till thousands are without work and thrown on the open streets to die of starvation. I want to save time and labour not for a fraction of mankind but for all. I want the concentration of wealth not in the hands of a few, but in the hands of all. To-day machinery merely helps a few to ride on the backs of millions."<sup>16</sup> (*Italics ours*).

For these reasons, *ideally speaking*, machinery is still undesirable.<sup>17</sup> Gandhi 'would not shed a single tear if all machineries were to disappear from the earth.' "I have nothing to withdraw from what I have said about machines in *Indian Home Rule*. The *Indian Home Rule* depicts an ideal state. The fact that I cannot come up to the ideal condition of things laid down therein is to be attributed to my own weakness."<sup>18</sup>

Whatever be his ultimate ideal regarding machinery, he thinks that 'machinery has come to stay,' 'it is bound to remain.' Hence, he is not for the eradication of all machinery but for its limitation.'

He can allow such machinery to remain which saves human labour, is not run for the greed of its owners, is needed for the

<sup>16</sup> *Young India*, 1924-26, p. 1029.

<sup>17</sup> *Ibid.*, p. 1035; See Dutt: "Factory System vs. Cottage Industry" in *Arthik Unnati*, February, 1930.

<sup>18</sup> *Young India*, 1924-26, p. 1020.



amenities of life, is needed for life-saving purposes, or satisfies our primary wants. Singer's Sewing machines are approved of because they save unnecessary human labour. Bicycles and motor-cars are not required for they do not satisfy any primary want. "It is not the primary need of man to traverse distances with the speed of a motor car."<sup>19</sup> He is prepared to have Steam Ships, Telegraphs etc. only if they can be retained 'without the support of industrialism and all it connotes.'<sup>20</sup>

At present therefore Gandhi shows a less idealistic, a more practical and somewhat tolerant attitude towards machineries. He would not destroy machineries and their products even if he had the power.<sup>21</sup>

What is his attitude then towards factories, which must exist if machineries are to be manufactured?

According to Gandhi, factories may be tolerated provided they satisfy certain conditions. First, they should be nationalised or state-controlled. Besides, they should be worked under ideal conditions and, not for profit, but for the benefit of humanity. The labourers working in factories are to be assured of a living wage and their task should not amount to a drudgery. "The machine will, under these conditions, be as much a help to the man working it as to the state."<sup>22</sup>

#### IV. *Cities and City-life*

Gandhi is a great admirer of village life. Cities and city life do not appeal to him. Cities, according to him, are centres of corruption. Indian civilisation, in his eyes, is a purely rural civilisation. He admits, however, that if our life in the present day Indian cities is to be improved, we have got to learn a good deal from the West.

"They (our forefathers) reasoned that large cities were a *snare* and a *useless encumbrance*, and that people *would not be happy* in them, that there would be *gangs of thieves and robbers, prosti-*

19 *Young India*, 1924-26, p. 1035.

21 *Ibid.*, p. 1271.

20 *Ibid.*, p. 1187.

22 *Ibid.*, p. 1030.

*tution and vice* flourishing in them and that poor men *would be robbed by rich men.*"<sup>23</sup>

"By *instinct and habit* we are used to village life, where need for corporate sanitation is not felt. But as the western civilisation is *materialistic and tends towards the development of the cities* to the *neglect of villages* the people of the West have evolved a science of corporate sanitation and hygiene from which we have much to learn."<sup>24</sup>

Further, it is held that wealth is created in the villages alone and it is opined that cities are not only of no help in adding to economic values but that they fatten on wealth created in villages. Railways are regarded as instruments helping the cities in that blood-sucking process.

"The half a dozen modern cities are *an excrescence* and serve at the present moment the evil purpose of *drinking the life-blood of the villages*. Khaddar is an attempt to *revise and reverse* the process and establish a better relationship between the cities and the villages. The cities with their insolent torts are a *constant menace* to the life and liberty of the villages."<sup>25</sup>

"These railway lines running north to south and east to west are arteries which drain away the wealth of the masses. . . *We in the cities become partners in the blood-sucking process.*"<sup>26</sup>

### V. *The Principle of Swadeshi*

By Swadeshi Gandhi understands the duty of preserving the indigenous institutions and using indigenous products. In his opinion it has three principal aspects—religious, political and economic. Taken in all these aspects together it is said to mean that we should not give up our civilisation, religion, language, dress, political and economic institutions, and the products of our country. It does not, according to him, mean that we should treasure our faults and defects. But it means that we should cling to our institutions and products, even though they be disagreeable and

<sup>23</sup> *Indian Home Rule*, p. 65.

<sup>24</sup> *Young India*, 1924-26, p. 450.

<sup>25</sup> *Young India*, 1927, p. 86.

<sup>26</sup> *Young India*, 1927, p. 350.

uncomfortable. The observance of the principle in all its aspects is stressed as a religious duty.

In its economic aspect particularly, it is made to mean that we should use the things which are or can be made in our country in preference to those made in foreign countries. "The broad definition of Swadeshi is the use of all home-made things to the exclusion of foreign things, in so far as such use is necessary for the protection of home industry, more especially those industries without which India will become pauperised."<sup>27</sup>

Does it then mean that he wants that all imports should totally cease? As is evident from the definition given above, the reply should be in the negative. While he is not exactly in favour of a total cessation of imports, he certainly wants that they should be reduced as much as possible. He would be prepared to allow only those things to be imported which are absolutely essential, but which cannot be produced within the country. While delivering a speech at Madras in 1916 he said: "A Swadeshist will learn to do without hundreds of things which to-day he considers necessary. . . . And we would be making for the goal even if we confined Swadeshi to a given set of articles allowing ourselves as a temporary measure to use such articles as might not be procurable in the country."<sup>28</sup> In the same speech he said a little earlier: "If not an article of commerce had been bought from outside India, she would be to-day a land flowing with milk and honey" (p. 246). Imports, therefore, in his opinion constitute a drain on the country's resources, and the more they are reduced the wealthier will India be.

In 1916, Gandhi was almost totally opposed to imports of all kinds. At present his attitude has undergone a slight modification. He is not opposed to all imports as such, but is opposed to the importation of those commodities only which can be produced within the country.<sup>29</sup>

What is his attitude towards exports? This is evident from

<sup>27</sup> *Young India*, 1924-26, p. 797.

<sup>28</sup> *Speeches and Writings*, p. 248.

<sup>29</sup> *Vide Young India*, 1928, p. 382.

the following passage : “In my opinion no large industry is good that depends on the custom of a foreign country.”<sup>30</sup>

Of all the various items in our import list, cloth is the most important. Besides, by promoting hand-spinning and hand-weaving, Swadeshi is immediately practicable with regard to cloth. Further, Khadi is the only item of Swadeshi in which the masses can universally participate. These reasons are advanced as explaining the stress laid on Khadi in connection with the prosecution of the Swadeshi programme. Khadi being in his eyes the best concrete embodiment of the Swadeshi principle, he is in favour of repeating the term Khadi in preference to that of Swadeshi.

## VI. *Gandhi's Economic Ideal*

The complications of modern economic life are a bugbear to Gandhi. He is a lover of an economic life reduced to its utmost simplicity. He wants that food and clothing should cease to be articles of commerce and that every person should produce his own food and clothing. “These should be freely available to all as God’s air and water are or ought to be; they should not be made a vehicle of traffic for the exploitation of others. Their monopolization by any country, nation or group of persons would be unjust.” He thinks that the need for food, clothing and shelter, which are the primary wants of man, must be satisfied in the case of every individual, but that the satisfaction of other needs, being likely to hamper spiritual progress, is not necessary. Every home, every village and every country, should, in his opinion, be as self-supporting as possible. Large-scale industries, if they at all exist, should, according to him, be nationalized. Some machineries may be tolerated by him only if certain conditions, already mentioned, are fulfilled. Trade in opium, wine etc. is, according to him, to be prohibited. The movement of population from one country to another is not regarded as desirable. As regards the distinction between the rich and the

poor, he thinks that it may not be possible to totally remove all inequalities in respect of wealth, but the relations of rich and poor should be those of personal friendship. The rich should not, according to him, try to enrich themselves at the expense of the poor. "I cannot picture to myself," says Gandhi, "a time when no man shall be richer than another. But I do picture to myself a time when the rich will spurn to enrich themselves at the expense of the poor and the poor will cease to envy the rich. Even in a most perfect world, we shall fail to avoid inequalities, but we can and must avoid strife and bitterness. There are numerous examples extant of the rich and the poor living in perfect friendliness, we have but to multiply such instances." He is of opinion that the habit of giving alms is to be discouraged, that beggary should cease to be a profession and that the principle of 'no labour, no meal' is to be established. He also holds the view that in order to realize the dignity of labour and to raise manual labourers in social estimation every man should undergo some physical labour.

What are the characteristics of the very simple economic system of which Gandhi appears to be so proud? What, in short, are the main component elements in the economic ideal which appears to influence him in all his speeches and writings? A conception of these points can be formed from what has been said above.

## VII. *The Science of Economics*

Economics is regarded as a science which deals merely with the means for the acquisition of wealth. Mahatma Gandhi is against the acquisition of an unlimited amount of wealth. Economic progress, according to him, is an obstacle to moral progress. A human being should not require anything more than ordinary food, clothing and shelter as regards his material needs. And it is not very difficult to provide for these needs. "For this very simple performance we need no assistance from economists or their laws."<sup>31</sup> It is implied here that

31 *Speeches and Writings*, p. 255.

no separate subject called Economics is at all required. According to him the Scriptures are sounder treatises on the laws of Economics than many of the modern text-books'.<sup>32</sup>

The relation between Religion and Economics has been discussed on many occasions. According to him, no religion can ignore the elementary principles of Economics. Hence, food and clothing are to be provided for before religious instruction can be imparted. Similarly, Economics should not ignore the fundamental principles of religion. "Whereas religion to be worth anything must be capable of being reduced to terms of economics, economics to be worth anything must be capable of being reduced to terms of religion or spirituality."<sup>33</sup>

The spiritualized type of Economics supported by Mahatma Gandhi will not allow the owning of slaves, cattle or machinery. "Personally I think there is no room in economics which is convertible with religion, for the owning of slaves, whether they are human beings, cattle or machinery."<sup>34</sup>

The relation of Economics to Religion is discussed a little elaborately at p. 366 of *Young India* for 1927. Gandhi's main purpose in that discussion is to stress the point that even religious institutions like the Cow Protection Societies must be run in such a manner as to yield an income sufficient to maintain the useless cows. To uphold this point he urges that even religious institutions cannot ignore the elementary principles of Economics. He cites in support that Nature herself follows this principle. Nature has implanted in men the desire for food, and she has also provided enough food to satisfy that desire. The Shastras also have acted on that principle, e.g., they have enjoined the Brahmins to teach religion, and at the same time have allowed them the privilege of begging for alms. Then he goes on to say: "The religious principle requires that the debit and credit sides of one's balance-sheet should be perfectly square. That is also *the truest*

32 *Speeches and Writings*, p. 256.

33 *Young India*, 1927, p. 312.

34 *Young India*, 1927, p. 312. See in this connection Dutt: "Importance of Economics" in *Arthik Unnati* (Economic Progress), August 1929.

*economics and therefore true religion. Whenever there is any discrepancy between these, it spells bad economics, and makes for unrighteousness. . . . But the majority of mankind do not understand this use of economics to subserve religion; they want it only for amassing 'profits' for themselves. Humanitarian economics, on the other hand, for which I stand, rules out profits altogether. But it rules out 'deficit' no less, for the simple reason that it is utterly impossible to safeguard a religious institution by following a policy of dead loss."* (*Italics are ours*). It appears that Gandhi is opposed to the accumulation of profits and he is also opposed to what ordinarily goes under the name of Economics, because it is in his opinion a branch of learning utilised for amassing profits.

Gandhi's attitude towards Economics then is briefly this: either he will have no Economics at all, or if such a science is to be tolerated, its principles must not clash with those of religion, i.e., it should be spiritualized.

## Chapter IV

### Gandhi on the Economic Problems of India

The economic problems of India which have mostly attracted Gandhi's thoughts are the following :—

1. Poverty and Unemployment.
2. Village Reconstruction.
3. Cow Protection.
4. Municipal Problems.
5. Capital and Labour.
6. The Consumption of Wine, Tobacco and Tea.
7. Birth-control.

His views on these topics are summarised below in detail.

#### *I. Poverty and Unemployment*

Of the various economic problems of India which have interested Gandhi, the two which have attracted his attention most, are the twin evils of poverty and unemployment. He seeks to stress repeatedly throughout his speeches and writings that the masses of India are very poor, that they are so poor that they almost lead the lives of cattle, that 30 millions of men do not get even two meals a day, and also that not only are the people very poor, but that their poverty is growing.

One of the main causes of their poverty is, according to him, unemployment. Peasants do not get employment for more than six months every year. For the remaining period, they remain idle. Hence he says that what the peasants want is not so much food as work. If work is brought to their doors, in that case they can easily purchase their food with their increased earnings.

How has this unemployment been brought about? The reason, according to him is that the peasants have been deprived of their main supplementary occupation; viz., hand-spinning. Who are responsible for depriving the peasants of this supplemen-



tary occupation? The parties regarded as responsible are, firstly, the Lancashire Mills, and secondly, the upper and the middle classes in India. The Lancashire Mills, he says, have destroyed the supplementary occupation by sending cheap machine-made products. The upper and the middle classes are regarded as responsible since they have acted as middlemen in importing these foreign products. He stresses that the peasants have thus been deprived of their supplementary occupation, and that they have not been provided with any other subsidiary employment to take the place of hand-spinning. He invites our attention to the fact that no doubt in the West also machines deprived the peasants of the occupation of hand-spinning, but in their case they were provided with many other new employments.

There are economists in India who hold that India's connection with the British has definitely redounded to the economic betterment of India. There are others again at the opposite pole who hold that the so-called exploitation of India by the British is responsible for the poverty of the Indians. Without in any way identifying ourselves with Gandhi's view we may point out that he does not subscribe to either of these views, that he holds the Lancashire Mills to be primarily responsible for India's poverty and that he regards the economic policy of the Government as one of the important secondary causes of the poverty of the Indians. There are other factors in the problem also, viz., the social system imposing the burden of maintaining a large family on a single person, the presence of a large number of *Sadhus*, an enervating climate, the lack of determination to fight against poverty, a faulty educational system, etc. They are regarded as contributory causes of India's poverty.

## II. Remedies of Poverty

Various alternative remedies of Indian poverty have been considered.

1. Agricultural improvement.—He thinks that there are 'tremendous difficulties' in the way of bringing about agricultural improvement, e.g., the so-called unwillingness of the Government ;

lack of capital; refusal of the peasant to take to new methods. The problem of manure cannot be solved without the education of the masses. The size of the holdings cannot be enlarged without revising the family system. For these reasons, he thinks that agricultural improvement would take generations to bring about. It is not, however, declared to be unnecessary. It is necessary, but it must be preceded by a better and more immediate remedy, *viz.*, the revival of the spinning industry. 'Spinning does not replace the contemplated improvement but it will herald it.'

2. Industrialisation, *i.e.*, the establishment of factory industries.—It has been already said that according to Gandhi, industrialism can thrive only on the exploitation of the Indian masses, since there is no other race big enough to be exploited by so large a country as India. Since it can thrive only by exploiting the poor, it cannot possibly remedy the poverty of the masses. Industrialism, therefore, according to him is no remedy for pauperism. "Pauperism must go. But industrialism is no remedy."<sup>1</sup>

"What will you do with unemployment? Industrialise the whole country and become a nation of exploiters."<sup>2</sup>

It must, however, be said in justice to Gandhi, that though he is a firm believer in the incapacity of industrialism to solve the poverty problem of the country, he would not oppose the industrialisation of the country by those who believe in the efficacy of industrialism to cure the poverty problem.

'I should have no objection *whatsoever* to industrial enterprise' says he; "Only I would not call it *necessarily humanitarian*. A humanitarian industrial policy for India means to me a glorified revival of hand-spinning, for *through it alone* can pauperism, which is blighting the lives of human beings in their own cottages in this land, be *immediately* removed. Everything else *may thereafter be added*, so as to increase the productive capacity of the country."<sup>3</sup> (*Italics are ours*).

1 *Young India*, 1924-26, p. 1187.

2 *Ibid.*, 1927, p. 276.

3 *Ibid.*, 1924-26, p. 719.

3. Hand-weaving alone is not the appropriate remedy : for, (1) hand-weaving is not a supplementary, but a whole-time occupation, but what the peasants need is a supplementary occupation ; (2) hand-weaving without hand-spinning would make the weavers but feeders to the cotton mills in Manchester, Bombay or Japan, *i.e.*, they would be made dependent on profit-seeking mill-owners ; (3) besides, all mills are trying to produce cloths of the designs produced by the weavers.

Hand-weaving, however, is regarded as necessary only as supplementary to hand-spinning.

4. The multiplication of cotton mills to provide for India's cloth-supply is not regarded as a satisfactory solution, because (1) cotton mills cannot grow up like mushrooms ; (2) they would require the importation of foreign machinery ; (3) they cannot provide the millions with employment (providing the masses with employment is more important than making India self-sufficient as regards the supply of cloth) ; (4) they would exploit the masses : (5) the consequences of the failures of mills are very disastrous.

5. Hand-spinning alone is the only and the best immediate remedy.

The reasons given for this special fitness of hand-spinning are : (1) A large market for hand-spun yarn can be immediately created in India, if imports of foreign cloth are stopped ; (2) hand-spinning is easy to learn ; (3) there is an ancient tradition behind it ; (4) it can be carried on in the homes of the peasants ; (5) it can be carried on during leisure hours ; (6) it is the only supplementary occupation which can employ millions of men ; and (7) it will equitably distribute wealth in millions of cottages.

Will Khadi help to make the nation *prosperous*, or will it simply save the people from starvation? In many passages<sup>4</sup> Gandhi claims the former effect for Khadi, but in at least one passage he says that it will save the people from starvation. 'I

4 *Ibid.*, 1919-22, pp. 494, 540.

do claim that if the *Charṛkha* becomes universal, it will drive away starvation.”<sup>5</sup>

Apart from providing the peasants with work during idle hours, spinning, in his opinion will, render valuable help in various other ways: (1) if school-children are taught to spin for a certain number of hours every day in the school, education can be made financially self-supporting, at least to a certain extent; (2) beggars can be made to work at this easy occupation; (3) women leading a life of shame can earn their living by taking to spinning; (4) during times of famine and flood, the afflicted men and women can earn at least as much through spinning as through work at Government relief centres.

Hand-spinning would give rise to a demand for other workers such as weavers, bleachers, dyers, carders and ginners. Hence, it would provide many others with new employment.

Other industries may be encouraged after hand-spinning. But such industries must be ‘healthy and life-giving.’ It is doubtful whether the establishment of large-scale industries is at all contemplated.

### *Difficulties in the Way of Khadi*

The obstacles in the way of Khadi (‘hand-spun and hand-woven cloth’; it is supposed that hand-spinning would be accompanied by a vigorous revival of its necessary concomitant, viz., hand-weaving) as mentioned by Gandhi, are: (1) competition of foreign mills; (2) competition of indigenous mills; (3) apathy of the masses; (4) coarseness and dearness of the cloth.

The first obstacle is sought to be removed by asking the people to give up the use of foreign cloths and to take to Khadi only.

The second obstacle is not yet a reality, since if foreign cloth is displaced, it will not be possible to immediately organize the manufacture of the huge quantity of Khadi that would be needed to meet the entire needs of India with regard to cloth. Hence,

5 *Ibid.*, 1927, p. 276. See the criticism of Gregg’s book on Khadi in Dutt: *Hand-spinning and Hand-weaving in India* in the *J.B.N.U.*, June 1929.

for a certain length of time, there is room for both Khadi and Indian mill-made cloth. For the present, therefore, the two can co-exist. But Mahatma Gandhi's ultimate objective is undoubtedly the displacement of even Indian mill-made cloth by Khadi.

The apathy of the masses is to be overcome by inducing the classes (including the school students) to spin regularly every day for a certain period. That would give a respectable status to the occupation and would be considerably helpful in inducing the masses to take to it.

The difficulty about coarseness and dearness does not at all arise where peasants spin for the production of their own cloths. Where however yarn is spun for sale, organisations will have to be started to purchase yarn from the spinners, to get cloths woven by the weavers and then to sell them in the market. In such circumstances, competition with mill-made cloth will naturally arise. It will be difficult for Khadi to compete, as it is coarser and dearer than mill-made cloth.<sup>6</sup> To meet this difficulty, the upper and the middle classes are asked, first, to 'revise their taste' and to adapt themselves to the use of coarse cloth and, secondly, to bear the burden of the extra cost in order to help their poor and starving countrymen. The classes should bear the burden of a self-imposed policy of protection in order to place 'the national industry of India' on its legs again.

### *Khadi to Resist Industrialism*

It should be noted with the greatest care that the stress laid on Khadi is not due simply to the fact that it provides a supplementary occupation for the agriculturists. There is another important reason underlying the stress laid on it. And that is that Khadi will be a helpful weapon in resisting the advent of industrialism. This is evident from numerous passages in his writings. A few are quoted here: "Just as both prince and peasant must eat and clothe themselves, so must both labour for supplying their primary wants. . . . Europe may not realise this

6 Admission that Khadi cannot compete with mill-made cloth, *Young India*, 1927, p. 318.

vital necessity at the present moment, because it has made of exploitation of non-European races a religion. But it is a false religion bound to perish in the near future. The non-European races will never allow themselves to be for ever exploited. I have endeavoured to show a way out that is peaceful, human and therefore noble. It may be rejected. If it is, the alternative is a tug of war, in which each will try to pull down the other. Then, when non-European races will seek to exploit the Europeans, the truth of the Charkha will have to be realised." "The sword is probably more responsible for misery than opium. Hence do I say that if India takes to the spinning wheel she will contribute to the restriction of armament and peace of the world as no other country and nothing else can." "We must thus restore our ancient and health-giving industry if we would resist industrialism." "India's destiny lies not along the bloody way of the West, of which she shows signs of tiredness, but along the bloodless way of peace that comes from a simple and godly life." "The Charkha at any rate is incapable of harming any body and without it we, and if I may say so, even the world, will go to rack and ruin. We know what Europe has been feeling after the War in which lies were propagated as the highest religion. The world is weary of the after-effects of the War and even as the Charkha is India's comforter to-day, it may be the world's to-morrow." The sum and substance of all the passages is that industrialism leads Europe to wars, hence in order to avoid wars we should resist the advent of industrialism and adopt a simple economic system raised on the basis of the Charkha.

That Khadi is to serve the purpose of the first step in re-establishing a simple economic system, is strikingly brought out in the following passage in an article by Mr. C. F. Andrews (whose views in relation to Khadi are almost the same as those of Mahatma Gandhi) in the *Young India* for 1927, p. 315: "The word Khaddar means home-spun and home-woven cotton cloth in which *machinery has played no part at all from start to finish.*

The Khaddar ideal thus represents a *very daring declaration* that the Machine Age *has carried mankind in a wrong direction*, bringing along with it the disintegration of earlier moral values. It is *leading directly to disaster*. The *simpler rural civilisation*, so it is positively asserted, is *the best*. Mahatma Gandhi regards the *ideal of simplicity and closeness to Nature* as higher than the ideal of *the civilisation of our modern towns together with the factory life* which is bound up with them." (Italics are ours). Mahatma Gandhi also is of the same opinion. For example, he says at p. 415 of the *Young India* for the same year: "It (the spinning wheel) is a *standing rebuke against the modern mad rush for adding material comfort upon comfort* and making life so *complicated* as to make one doubly unfit for knowing oneself or one's God." (Italics are ours).

His fondness for a simple economic system (which is sought to be revived through Khadi) will be further evident from the following passages: "It is my claim that as soon as we have completed the boycott of foreign cloth, we shall have evolved so far that we shall necessarily give up the present absurdities and *remodel national life in keeping with the ideal of simplicity and domesticity* implanted in the bosom of the masses. *We will not then be dragged into an imperialism*, which is built upon exploitation of the weaker races of the earth, and the acceptance of a *giddy materialistic civilisation* protected by naval and air forces that have made peaceful living almost impossible." "Suffice it to say that the problem to-day is not to bring about *that political and economic reorganisation of our country which disturbs the West to-day*—an organisation which has led to the breaking up of the society by ceaseless struggles, bitterness and rupture between capital and labour. We want to work out *the real political and economic regeneration* of the country by Swadeshi." (Italics are ours).<sup>8</sup>

### III. Village Reconstruction

Mahatma Gandhi's expectation is that spinning will save the

<sup>8</sup> *Ibid.*, 1919-22, pp. 526, 546.

peasants from poverty, will infuse new life into them by banishing their lethargy brought about by idleness and will instil into them the habit of co-operating with themselves for their own good. Once these desirable results are secured, the restoration of the village artisans to their own occupations and an all-round improvement of the village will not be difficult to bring about. "Round the Charkha, that is, amidst the people who have shed their idleness and who have understood the value of co-operation, a national servant would build up a programme of anti-malaria campaign, improved sanitation, settlement of village disputes, conservation and breeding of cattle, and hundreds of other beneficial activities."<sup>9</sup> "With spinning and weaving coming to their own, there will grow up a number of allied industries. The carpenter, the blacksmith, the washerman and others will find additional work, and a lot of skilled labour. In other words, you will reconstruct the Indian village."<sup>10</sup>

The aim is, therefore, to retain the self-sufficient and simple villages almost unchanged in their essential characteristics. Life in the villages is sought only to be made a little more tolerable than what it is to-day.

#### IV. *Cow Protection*

In India the cow is slaughtered for consumption by non-Hindus. It is also slaughtered by the Mahomedans as a part of their religious obligation.

Protection of the cow is said to mean that the cow is to be saved at least from being slaughtered for food.

Protection of the cow is pointed out as a religious obligation with the Hindus. This religious obligation is said to have arisen because of the economic utility of the cow.

Gandhi is of opinion that half the poverty problem of India can be solved if the cow can be protected.

The various suggestions made by him from time to time for the protection of the cow, are as follows :

1. Better treatment.—The Hindus specially should not



maltreat the cow and should not practise cruel tortures on her in order to make her yield milk.

2. Improved *Pinjrapoles*.—There are already about 1500 *pinjrapoles* in the country. But the slaughtering of cows, instead of diminishing, is gradually increasing. Hence, the mere multiplication of *pinjrapoles* is not enough. The existing *pinjrapoles* should be improved and their functions extended. They should be placed under expert management. They should have wide plots of land all round, where the cattle can graze and take exercise. Dairies should be started for the milch cows. Milk and its products would fetch a good income. Besides, tanneries should be started for the proper treatment and disposal of the hides and the other parts of the carcasses of dead cows. This also would bring some profit to the *pinjrapoles*. The profits derived from the dairies and the tanneries should be utilized in buying up cattle sold to the slaughter-houses, and in maintaining them if they are totally disabled and useless. The *pinjrapoles* should also endeavour to improve the breed of the cow.

The central idea is that not only are the useless cows to be maintained but the cow is to be made so valuable that its slaughter would be economically a dead loss.

3. Altruistic tanneries.—Exports of hides are to be stopped. Leather is to be manufactured in altruistic tanneries. The profits derived therefrom are to be utilized in buying up the cows sold to the slaughter houses.

4. Hides of dead cattle.—The use of hides of dead cattle only is to be encouraged.

5. Release of the buffalo from bondage.—Buffaloes generally yield more milk than cows. Hence, the breeding of the buffaloes has become a profitable occupation. But the breeders resort to the inhuman practice of killing male buffaloes (except those required for stud purposes) at birth, since they are not helpful as draught cattle, nor is their flesh sufficiently remunerative. If cows are made to yield sufficient milk, then the breeding of buffaloes would no longer be necessary. The two-fold functions (drawing

loads and yielding milk) now discharged by the she-buffalo can be discharged by the cow and the bullock.

6. Education of the villagers in cattle improvement.—This is very important because, first, every real reform should begin from the villages and, secondly, the villages are the places where the slaughter-houses (taking advantage of the ignorance of the peasants about cattle-breeding) generally draw upon for cattle.

### V. *Municipal Problems*

Gandhi has received many addresses of welcome from various municipalities in India. In the course of his replies to these municipalities he has laid stress on the various duties which they should make it a point of discharging. These are :

1. The municipal councillors should rise above all petty quarrels and intrigues, should develop a proper sense of civic responsibility and should devote themselves to their duty in a spirit of service.

2. The habits of the people of India are very insanitary. Epidemic diseases like cholera, hook-worm and malaria are due to the insanitary habits of the people. Not poverty, but ignorance of the principles of sanitation is responsible for the prevalence of dirty habits. The municipalities should keep the cities clean and should start model schools of sanitation.

Gandhi is opposed to almost everything that comes from the West. But he considers that the Westerners are experts in city-building and hence we might learn a good deal from them as regards the science of municipal sanitation.

Usually he is willing to rely on private efforts for the removal of any evil. But the problem of insanitation is considered by him to be so very serious that he is willing to resort to compulsion in order to change the habits of the people.

3. Municipalities should do all they can to protect the cow in order to ensure a supply of cheap and pure milk. It should be made so cheap that it can be had 'as easily as water.'

4. Food-stuffs sold within the boundaries of a municipality should be clean and unadulterated.

5. A supply of absolutely clean water should be ensured. A supply of clean water is 'the first essential condition of corporate, i.e., of city life.'

6. The suburbs are to be opened up if there is any congestion within the city.

7. The fullest facility is to be given for the education of every child in the municipality.

8. Endeavours should be made to draw people away from gambling dens and liquor-shops, if any, within the municipal area.

### VI. *Capital and Labour*

Gandhi is fond of styling himself a labourer. "I am a labourer myself, I pride myself on calling myself a scavenger, weaver, spinner, farmer, and what not."<sup>11</sup> He has mixed much with labourers and has an actual experience of their woes and troubles. Besides, on numerous occasions he has taken a hand in organizing them. Hence, his views on the relations between capital and labour are likely to be interesting. His views are mainly the following :—

Labour and capital may be struggling with each other in the West. But India's history is not one of strained relations between capital and labour. Nor will the Indian system allow of the introduction of such relations.

Some of the grievances of the labourers are that their wages are insufficient, their dwellings are unsatisfactory and their employers are indifferent to their welfare. The labourers should organize themselves in order to get their grievances redressed. But the organisation should be on Indian lines. Violence is to be completely eschewed and rights are to be secured through suffering. "I am not opposed to organisation of labour, but, as in everything else I want its organisation along Indian lines, or if you will, my own lines."

Labour and capital are 'interdependent.' They are partners in the process of production, labour being 'the predominant

11 *Young India* (1924-26), p. 1098.

partner.' Hence, labour should recognise its obligations to capital. Capital also should observe its obligations to labour.

Capitalists in the West are satisfied with looking after the material welfare of the labourers. But Indian capitalists should not be satisfied with that, but should aim at a higher ideal. They should take an interest in their moral welfare and cease to regard them as their servants. Capitalists should take a parental interest in the welfare of the labourers. But that even is not all. Labourers should even be promoted to the position of proprietors of the mills and factories in which they work.

Some passages may be quoted here in support of the points given :

"My ideal is that capital and labour should supplement and help each other. They should be a great family living in unity and harmony, capital not only looking to the material welfare of the labourers but their moral welfare also—capitalists being trustees for the welfare of the labouring classes under them."<sup>12</sup>

"All our power, all our wealth and all our brains should be devoted solely to the welfare of those who through their own ignorance and our own false notions of things are styled labourers or servants. What I expect of you therefore is that you should hold all your riches as a trust to be used solely in the interests of those who sweat for you, and to whose industry and labour you owe all your position and prosperity. I want you to make your labourers co-partners of your wealth. I do not mean to suggest that unless you legally find yourselves to do all that, there should be a labour insurrection. The only sanction that I can think of in this connection is of mutual love and regard as between father and son, not of law. If only you make it a rule to respect these mutual obligations of love, there would be an end to all labour disputes, the workers would no longer feel the need for organising themselves into unions."<sup>13</sup>

"I do not think there need be any clash between capital and

<sup>12</sup> *Young India* (1924-26) p. 1099.

<sup>13</sup> *Young India* for 1928, p. 145-146.

labour. Each is dependent on the other. What is essential to-day is that the capitalist should not lord it over the labourer. In my opinion the mill-hands are as much proprietors of their mills as the share-holders, and when the mill-owners realise that the mill-hands are as much mill-owners as they, there will be no quarrel between them. But there is no right in the world that does not pre-suppose a duty. An owner never spoils his property. When you know that the mill is as much yours as of the mill-owner's, you will never damage your property, you will never angrily destroy cloth or machinery with a view to squaring your quarrel with the mill-owners. Fight, if you must, on the path of righteousness and God will please you."<sup>14</sup>

Does Gandhi think that the labourers should have as great a share in the profits of the industry to which they belong as the share-holders? It does not appear that he does. For, he says—"My ideal is equal distribution, but so far as I can see, it is not to be realised. I therefore work for equitable distribution. This I seek to attain through khaddar."<sup>15</sup>

According to Gandhi, then, perfect co-ordination is possible between capital and labour, and it is in the ways described above that it is to be brought about.

Gandhi has taken some interest in the economic condition of clerks, whose circumstances he considers in certain respects to be even more deplorable than those of the labourers, owing to the fact that in the families of the former the clerk is usually the only earning member, while in those of the latter, practically all adults are earning members. He suggests two measures for their amelioration: (1) organization, (2) 'educating their wives and dependants to engage in some gainful occupation.'<sup>16</sup>

### VII. *The Consumption of Wine, Tobacco and Tea*

Gandhi regards wine as responsible for much of the physical and spiritual depravity of man. Hence, he is anxious for the intro-

14 *Young India*, for 1927, p. 248.

15 *Ibid.*, p. 86.

16 *Ibid.*, p. 928, p. 139.

duction of total prohibition in India. In his opinion, total prohibition is not difficult to introduce in this country, since the drink-habit is not regarded as respectable in this country and is even prohibited by the Indian religions. The main obstacle in the way is said to be the alleged pro-drink attitude of the Government due to its inability to part with the revenue derived from drink.

Failing the better remedy of total prohibition, he advocates the less effective remedy of trying to reform the habits of drunkards by persuasion.

The drink evil prevails much among the factory labourers. The latter are said to take to drink because of the environments in which they live and work. Attempts should be made to provide them with centres of recreation where they can congregate in the evening and get innocent drink. In this way they may be tempted away from the public bars.

Smoking is regarded as a much greater evil than drink. The reason stated is that the evil effects of smoking are not realized until it is too late. The evil effects mentioned are : (1) dirty habits are developed; (2) teeth are damaged; (3) the sense of delicate discrimination is dulled.

Tobacco, tea and coffee should not be consumed, for (1) they are not necessities; and (2) a large amount of money might be saved by stopping their consumption.

### VIII. *Birth-control*

Gandhi is of opinion that India can support twice its present population if its agriculture and land system can be improved and if the peasants get a supplementary occupation.<sup>17</sup>

Hence, restriction of the size of the family need not be resorted to out of fear for over-population.

But it is said to be necessary because of the present political condition of the country.

17 *Young India*, 1924-26, p. 1217.

The method to be resorted to is that of *Brahmacharyya* (self-control).

Married men should in his opinion exercise complete self-control after the need for progeny has ceased. They are to be taught to resort to *Brahmacharyya* in order to restrict the size of the family.

To what extent is self-control practicable? Mahatmaji assures us from the experience of himself and of his followers that, 'by judicious treatment', self-control 'can be observed without much difficulty.'

Artificial methods of birth-control may or may not be physiologically harmful. But the practice of those methods is severely condemned for various reasons. First, they would put a premium upon vice; secondly, the opportunity of developing strength of will born of struggling with, and conquering one's passions would be lost; and, thirdly, much precious vitality would be wasted.

#### IX. *Interest in a Few Other Problems*

We have till now related Gandhi's attitude towards the problems of Indian Economics which have attracted his attention most. His attitude towards some other problems which have occasionally drawn his attention will now be dealt with.

1. Third-Class Railway Passengers.—After his return from South Africa, in spite of the amplitude of his means, he used to subject himself to the discomforts of third-class travel in order to personally experience the inconveniences and discomforts suffered by the third-class passengers. In a letter to the Press in 1917<sup>18</sup> and in a lecture delivered at a Social Service Conference held in Calcutta in the same year, he discussed the grievances of third-class passengers. The same topic is also touched upon in his Autobiography.

The various grievances of third-class passengers, especially mentioned, are: (1) overcrowding; (2) dirtiness of the compartments and the closets; (3) the extremely unsatisfactory arrange-

ments in the *Mosafir-khanas* (third-class waiting rooms); and (4) the high-handedness and callousness of the railway officials in their dealings with third-class passengers.

The passengers themselves do not escape condemnation. They are severely criticised for their attitude of helplessness as regards their own complaints and also for their own rudeness, dirty habits, selfishness and ignorance.

2. Free Trade *vs.* Protection.—Free trade is said to be responsible for the ruin of the Indian peasantry. It is also held responsible for the destruction of Indian shipping. "No new trade can compete with foreign trade without protection." Hence he is prepared to welcome protection for the cotton industry, Indian shipping and 'other useful industries.' Only he would like that preference should be given to Khadi. "I would any day welcome protection for mill industry, although I give and would always give preference to hand-spun khaddar. Indeed I would give protection to all useful industries."<sup>19</sup>

Is it proper to develop the steel industry by protection? Gandhi refrains from giving a definite answer. His position is explained in the following statement: "Of what use they can possibly be at the present moment, I do not know; nor do I know the merits of the proposal regarding the Steel Works."

3. Co-operation.—Gandhi does not regard the co-operative movement as 'a panacea for all evils.' But he thinks that it is capable of much good. In order, however, that the movement may be beneficial it is necessary that it should be confined to men of morals, and that careful watch should be kept over the manner in which the loans advanced by co-operative societies are utilized. Special emphasis is laid on the necessity of ensuring the moral growth of existing Societies before their number is multiplied. The efforts of the Co-operative Societies to revive the cottage industries are looked upon with marked approval.<sup>20</sup>

19 *Young India*, 1924-26, p. 1271.

20 *Vide* lecture on the "Moral Basis of Co-operation" (*Speeches and Writings*, p. 261).



Gandhi has not himself taken any active part in the Co-operative Movement, but he regards the organisation of the spinners and weavers, that is being pushed on by him, as in itself a very big Co-operative Movement.

4. Emigration.—Emigration is regarded as harmful. The emigrants may earn more money abroad, but they do not return better men. Besides, their wants multiply after their visits to foreign lands.<sup>21</sup> The difficult problem of emigration may be solved by providing the would-be emigrants with the occupation of spinning.<sup>22</sup>

5. Tree Protection.—The fulfilment of every human need is a religious necessity. "All religion is presumably in response to the human aspiration or need. Religion is some irresistible binding force. The cow was a peremptory need and we had cow protection in India. Digging of wells where water is scarce is a religion. It would be ludicrous to dig wells where the water-supply is inexhaustible. Similarly, whilst tree plantation would be superfluous in, say Travancore, in some parts of India it is a religious necessity."<sup>23</sup> Hence, in barren tracts such as Cutch and Kathiawad, the protection and plantation of trees and the teaching of practical botany are stressed as a religious necessity.

## X. Education

A somewhat complete statement of Gandhi's thoughts on current economic questions has now been presented.

In the present-day world, education is of the greatest importance from the economic standpoint. Hence, even in a study of Gandhi's economic ideas, we should briefly notice the nature of his thoughts on education.

Gandhi has written and spoken a good deal on questions of education. An idea will now be given of the most important elements in his thoughts on education.

These thoughts will be divided under three heads: (1) defects

21 *Speeches and Writings*, p. 283.

22 *Young India*, 1919-22, p. 493.

23 *Young India*, 1924-26, p. 1297.

of the present system of education; (2) subjects to be taught; (3) additional suggestions.

**Defects of the Present System.**—The present system of education manufactures only clerks and Government servants; it designs us only to be parts of a huge foreign machine; needless palatial buildings are built for schools and colleges ('the whole trend is to think of the privileged and not of the masses'); the training for occupations is neglected; a foreign language is adopted as the medium of instruction; indigenous culture and spirituality are ignored.

**Subjects to be Taught.**—(1) Agriculture and hand-weaving (the majority of Indians are peasants and weavers); (2) carpentry; (3) masonry; (4) practical training in the laws of hygiene and sanitation; (5) art of rearing children; (6) military training; (7) music; (8) gymnastic and body-training; (9) spinning ('the students may learn anything but let it centre round the Charkha'); (10) practical botany (in tracts where tree plantation is an economic necessity).

**Some Additional Suggestions.**—Western civilisation not to be imparted before a knowledge of the letters; manual<sup>24</sup> (industrial) training required to teach the dignity of labour and to enable the students to partly pay for their education,—it is in this way alone that education can be made freely available to all in a country as poor as India; European dress and modern luxuries not to be imitated; education to be imparted through the provincial vernacular; Hindusthani to be taught as the national language; English to become the language of commerce and international diplomacy and hence to be learnt by a few; the family system not to be overlooked in education; indigenous methods of teaching arithmetic to be adopted; the teaching of science to be made more practical; teachers must be men of faith and character; students to be sent to join relief works from time to time during their school and college career ('the end of education is service').

<sup>24</sup> Agriculture, hand-spinning and hand-weaving favoured, training in other arts and crafts not opposed.

Compulsory education is not favoured, as Gandhi is usually against all compulsion. But he does not definitely oppose it.

The function of women, according to him, is not to earn money; hence, the education of females should be the same as that of males up to a certain stage; later, it should be different.

## Chapter V.

### Sarkar on the Modern Economy

#### Section A. The Economic Realities of To-day

##### I. *Leaders in the Economic World*

Unlike Gandhi, Sarkar is an admirer of industrialism which in the latter's estimation is the most important factor in the modern economy. He points out that the discovery of steam and its application to the textile industry in England in the eighteenth century marked the advent of modern industrialism. Hence he is careful to point out that England is the pioneer in the evolution of modern economic life. He is equally careful in pointing out that subsequently the U.S.A. and Germany followed in the footsteps of Great Britain and gradually shaped their economic life more or less after the pattern of Great Britain. As regards economic achievements these three countries are referred to as occupying the first rank in the modern world. France is said to follow just a little behind. It is stressed that there are several European countries such as Switzerland, Belgium, Austria, etc. whose achievements are as remarkable as those of the four just mentioned but who are not so important because of their smallness. Japan, Russia and Italy are said to occupy the second rank in the industrial world. Countries like Turkey, the Balkans, India, etc. are pointed out as gradually evolving their economic life along the lines chalked out by the pioneer nations in the industrial world.

Though the different countries of the world occupy different ranks according to the degree of their economic development, Sarkar at the same time draws our attention to the fact that there is nothing static in the respective ranks occupied by the different countries but that, on the contrary, there is a constant change and flux in their respective positions. It is pointed out that

to-day at almost break-neck speed, while countries once advanced are to-day proceeding slowly. Certain instances are given to establish that point. About 1875, for example, Germany was behind Great Britain by nearly forty or fifty years. But about 1914 Germany had almost overtaken her and was indeed on the point of crossing her limits. Japan was fifty years behind Eur-America about 1886. But at the present time Japan has reached the stage at which Eur-America was about 1905. Russia after the war was very much behind Europe and America. But to-day Russia has been catching up to the pioneer races in point of economic achievements.<sup>1</sup>

## II. *Characteristics of Modern Economic Life*

Sarkar makes a clear-cut distinction between mediæval, (agrarian and semi-feudal) economic life and modern economic life. What are the characteristics, then, which distinguish modern economic life? These are to be found scattered in various places in his speeches and writings. We present them here in a somewhat systematic form.

### 1. *The Utilisation of the Natural Forces*

The modern age tries to economise human energy as much as possible and to utilise natural forces in place of human energy in the work of production, transportation, etc. The beginning was made with steam. From steam the moderners have proceeded to the utilisation of electricity and petrol. The use of electricity is still in its infancy and there are undreamt-of possibilities before it. "Since the year 1913, the world's use of electric current has been almost quadrupled. And yet, the age of electricity has only just begun. Whether we turn to the railways, to agriculture or to the household, we find electrification still in its infancy, while

1 Sarkar: *Greetings to Young India* (1927), p. 66; "Comparative Industrialism and the Equations of Applied Economics" in the *Journal of the Bengal National Chamber of Commerce* 1928-29, pp. 140-143; *Naya Banglar Goda-Pattan* (The Foundations of a New Bengal) Vol. II (1932) pp. 428-31; Dutt: "Fundamental Problems and Leading Ideas in the Works of Prof. B. K. S." (*Bengal Nagpur Railway Employees Journal*, September 1932).

electricity opens out a limitless prospect of development."<sup>2</sup>

## 2. Putting Every Bit of Material to the Best Possible Use

The fundamental impulse that seems to urge modern mankind in its activities is that Nature is to be made to serve man as a master in the latter's efforts for the satisfaction of his diverse material wants.<sup>3</sup> Hence not only are the forces of Nature being utilised, but man is producing the most valuable commodities from the ordinary raw materials. The achievements of modern scientists have made possible the utilisation of ordinary raw materials in ways undreamt-of by our forefathers. Valuable and various dyes are being extracted from coal, artificial silk (the manufacture of artificial silk is a thriving industry in Great Britain, Germany, etc.) is being manufactured from woodpulp, salt-petre is being manufactured from the air, and so on. The manufacture of artificial pearl is another example of the same type of endeavour. The zest of modern man is so keen and his capacity so unique for the profitable utilisation of every bit of material, that there is hardly anything in modern industry that can be regarded as waste product.<sup>4</sup> To modern industrialists nothing is worthless enough to be thrown away.

### 3. Competition

Competition is no mean feature of modern industrial life. The number and variety of industries in the modern world are almost countless. Numerous companies or firms participate in each particular industry in every country. Hence, each particular company has to compete with rivals both within and outside the country, in selling its products either in the home market or abroad. This competition has been made the keener because of the

2 *J.B.N.C.*, 1927-28, p. 175.

3 *Vartaman Jagat* (or Modern World), Volume on Japan, p. 297.

growing industrialisation of the backward countries during and after the War. Keen competition also prevails among the labourers, among the capitalists, among the different nations and also between the labourers on the one hand and the capitalists on the other (*Greetings to Young India*, pp. 110-112).

#### 4. *World Economy*

Co-operation on a vast scale, never before realised in the past history of the world, forms a no less important feature of modern economic life. Labourers to-day organise themselves in trade-unions, and nation-wide as well as international organisations. Big industries combine and co-operate on a national and even on international scale when they find that competition leads them to loss and ruin and co-operation to greater efficiency as well as less struggle. The various states of the world are co-operating internationally for various economic purposes.<sup>5</sup> The diverse commercial treaties, the customs-unions, the schemes of preferential tariffs, etc. are illustrations of international economic co-operation among the various states. The League of Nations with its economic activities—the International Economic Conference and the International Labour Conference—also illustrates the same economic co-operation. International Conferences like the various International Monetary Conferences (1872, 1881, and 1892), the World Congress on Population (1927) and Conference on the Scientific Management of Labour (1927) are also tangible embodiments of the efforts for international economic co-operation.

The vastness of the import and export trades of the modern world, the dependence of the backward countries upon the advanced ones for most, if not all, of their finished products, the dependence of the advanced ones upon backward countries for most of their food-stuffs and raw materials, the dependence of the advanced countries upon one another for various finished goods, raw materials and services, etc. constitute another notable

5 On this topic Chap. 17 of Sarkar's *Greetings to Young India* will be found useful and informative. See also his *Political Philosophies Since 1905*, p. 243.

aspect of the vast scale of modern international economic co-operation. The economic ties between the various parts of the modern world have already become so tight and their economic relations so intimate that we may say that leaving the stages of domestic, village or national economy far behind us, we are living right in the midst of what is understood by world-economy. This stage of world-economy represents another element in the internationalism in modern economic life.

The help that the backward countries of to-day have been taking at every step from foreign capital, foreign experts, and foreign example constitutes another no insignificant item in international economic co-operation. American leadership has been modernizing China, and India is being modernized by the British. Japan has sat at the feet of Eur-American nations for decades together in order to learn the processes of modernizing her economic life. Russians and Turks have been mainly taking the help of Germany (though they do not neglect the help of others) for the speedy industrialisation of their countries. The Balkan States have been borrowing foreign capital for their industrialisation. The "rationalisation" of German industries after the War has been to some extent effected with American capital. Russia also is trying to get foreign capital to modernize her economic life.

### 5. *The Increasing Use of Machineries*

The modern era is 'the era of machines'. In modern factories almost everything is done with the help of machines. Sarkar mentions that on his visit to the Clarendon Press at Oxford he was struck with the sight of so many machineries that he felt himself present in the midst of a vast laboratory of machines.<sup>6</sup>

In connection with his visits to the many paper factories, weaving mills, tailoring establishments and steel works in England, he remarks that in modern factories about everything is done with machines and that very little has got to be done by the human hand. The human hand has got only to put in the raw



materials at one end and take out the finished products at the other, so to say. New machines are being constantly invented in the modern world, e.g., electrical machines with the discovery of electricity. The efficiency of the old machines also is being daily enhanced, e.g., the 70 p.c. increase in the efficiency of the sewing machines in post-War Germany. The machine-building industry is itself a great and expanding industry in almost every advanced country. In Germany the machine-building industry is the third in importance and employs 16 lakhs of labourers.

In 1914 Sarkar was a half-hearted admirer of modern machineries. At that time he used to think that machineries make slaves of the labourers.<sup>7</sup> But recently his views have undergone an almost revolutionary transformation. At present he is of opinion that machines serve as a powerful tonic for the purification of the national blood, and that the greater the absorption of machineries in the national system, the stronger will the country be.

#### 6. *Large Scale Production and Trusts*

Production in the modern world refers mainly to large scale production on the basis of a widely extended division of labour and with the help of machineries at almost every stage of production. Small scale production is more an exception than the rule and exists in those industries only which are not susceptible of large scale production. The movement for large scale production has in recent times taken the shape of that for Trustification because of the Rationalization made possible through production on a larger scale. The urge behind the movement for Trustification is that of the cheapening of goods because of the lower costs of production. Trustification also implies the capacity to spend lavishly for research and experiment. The movement for Trustification, already common in the U.S.A., received a tremendous fillip in post-War Germany owing to the very

<sup>7</sup> *J.B.N.C.*, 1927-28, pp. 165-171. *Vartaman Jagat*, Volume on Great Britain, pp. 491, 575, 611.

calamitous condition of the various industries which felt compelled to amalgamate in order to prevent competition, to gain the benefits of the lower costs of production brought about by more intensive specialization among the amalgamating concerns and to attract capital from the U.S.A. and also from within Germany. Trustification has also proceeded apace in Soviet Russia where in various industries numerous giant State trusts exist to-day. The movement for Trustification is also making headway in Great Britain.

One of the best illustrations of Trustification is that of the Siemens-Rheinische-Schuckert-Union in Germany<sup>8</sup> which is a huge vertical and horizontal trust producing coal, ores, wrought iron, plates, rolled wire and tubes, machine-tools screws, rivets, springs, knobs, studs, railway materials, automobiles, carriages, boats, electricity, etc. and employing about 2 lakhs of workers. The steel trust established in Germany in 1926 controls about 50 p.c. of the steel produced in that country.

Sarkar draws our attention to the following advantages of Trustification: it lowers prices because of the allotment of different kinds of production among the various factories and also because of the shutting down of the inefficient ones; and it helps to partially solve the problem of industrial crises by making it possible for the persons in control of the industries to prevent greater production than what the market can consume, etc. At the same time Trustification is shown to be bringing many evils in its train: the trusts constitute a sort of economic imperialism, 'an empire of industries', so to say, where the industrial magnates at the head have every opportunity of compelling the consumers to pay cut-throat prices because of the monopolistic nature of their control; and that, in future, when Trustification has been well established, the constructive powers now called forth in their establishment may cease to appear and the incentive for progress and invention may disappear giving place to routine work and clerical labour. But he points out that this danger has already

8 *J.B.N.U.*, 1927-28, pp. 1-27 and *Arthik Unnati*, 1926-27, pp. 854-858; *Economic Development*, pp. 60-53; *Ekaler Dhanadaulat*, Vol. I (1930), pp. 253-303.

attracted the notice of the Westerners and that they are already up and doing in finding measures for meeting this evil.<sup>9</sup> The first evil also is being sought to be removed through anti-trust legislation and public ownership of or public control over important industries.

### 7. *The Complexity of Modern Productive Processes*

Modern production is a very complex process involving the co-operation of various agents. Those referred to by Sarkar are the following: (1) The technical function. "Herein lie the production, manufacture and transformation of one kind of goods into another, including the utilisation of waste products." (2) The commercial function. "It comprises sale, purchase, exchange, etc. of the wares on the most convenient terms." (3) The financial function. "How to attract and command capital to an enterprise constitutes a tremendous factor in economic development. Here one touches the sphere of credit and banking." (4) Insurance. "In modern times the security of goods and persons has moreover become an essential necessity. Not only have the commodities to be insured against waste, loss, destruction, etc., but the working men also must be assured the wage and means of combating insanitary conditions, accident, old age and death." (5) Accounts. "Accounts play a mighty role in the history of every factory, trading house or other undertaking. One has to be on the look-out for the periodically regular statistics of prices, wages, costs and out-put as well as the exact schedule of goods, markets, bank-rates, balances, and so forth." (6) The administrative function. "The functions of the economic general staff in each enterprise consist not only in giving the right 'officer' the right place but also in mobilizing the right classes of 'men'—the hands and feet—for the discharge of their proper functions." (7) Chemical engineering. The struggle for supremacy between Chemists and Engineers has been removed by the creation of a new class of technical experts called Chemical Engineers. Chemical engineer-

<sup>9</sup> *Political Philosophies Since 1905*, pp. 79 and 210 and *Vartaman Jagat*, Volume on Great Britain, p. 601, *Arthik Unnati*, 1926-27, pp. 859-61.

ing is playing a mighty role in modern production. (8) Industrial research. "The vital problem in this domain is essentially one of inventing and instituting the necessary economies so that goods may be delivered at the lowest price-level and with as little waste of human energy as possible." "Industrial research has been achieving wonderful results in human inventiveness and brain-power. But these acquire a significance solely because they serve to make the life of the people, the teeming millions, less disagreeable and more happy" (*Economic Development*, Ch. 45).

### 8. *The Rise and Advance of the Modern Working Classes*

The birth of the modern working classes out of lethargic, sluggish and superstition-ridden mediæval peasants and the gradual advance made by them constitute another important characteristic of modern economic life. The organization, the discipline and the training imposed on the working classes while working in close mutual proximity in huge modern factories equipped with high class instruments and machines, have sharpened their intelligence, and called forth and developed their capacity to act in a disciplined and organized manner. These spiritual qualities have enabled the modern working classes, at one time occupying the lowest stratum in social life, to demand and obtain better treatment from their employers, the state and the society. Hence, the modern world, in spite of its present capitalistic basis, records an advance on the part of the working classes.<sup>10</sup> Labourers to-day have been endowed with the power of managing their factories along with their employers in Germany, Austria, and Czechoslovakia. They are sharing in the profits of industrial enterprises in New Zealand simply because their contribution

10 *J.B.N.C.*, 1926-27, p. 529. Cf. in this connection the nine principles of labour adopted by the League of Nations in 1919: (1) labour not a mere commodity; (2) right of association among both employers and employees; (3) wages adequate to maintain a reasonable standard of life; (4) eight-hour day; (5) weekly rest of 24 hours; (6) abolition of child labour; (7) equality between men and women *re. payment*; (8) equitable treatment of employees; and (9) inspection in which women are to take part. See also *Political Philosophies Since 1905*, p. 216.

is manual just as that of the shareholders is financial. The syndicates in Italy have been endowed with the power of entering into collective agreements with the employers and of controlling their own affairs, the state reserving to itself the power to intervene in case of disagreement between the employers and the employed and to frame general legislation. (*Political Philosophies Since 1905*, pp. 238 and 239). And this tendency of sharing in profits and in the management of factories has also shown itself in the U.S.A. and Great Britain (*Arthik Unnati*, 1926-27 pp. 156-157).

### 9. Increasing Urbanisation

The increase in the number and size of modern cities of the class of London, New York, Berlin, Paris, Chicago, Manchester, Birmingham, Glasgow, etc. and the conversion of rural centres into municipal towns are another feature of modern economic life. Cities with vast populations, with up-to-date means of communication and transportation, with modern comforts, luxuries and amusements did not exist before the advent of modern industrialism either in the East or in the West.<sup>11</sup> They have developed wherever modern commerce and industry have established themselves and they are conspicuous by their absence in countries or tracts which still exist in mediæval economic conditions. The origin of modern cities thus is solely due to modern industry and trade, e.g., the development of the town of Manchester is due to the cotton industry and the cotton trade, that of Glasgow is due to the development of the ship-building industry. Before the Industrial Revolution both Manchester and Glasgow were but petty and insignificant towns. Osaka is characterised by Sarkar as 'the Manchester of Asia'. The reasons why Osaka has grown to its present importance are as follows : coal and iron are available near at hand in the Kiuchiu Islands ; goods can easily pass by the canals ;

11 *Arthik Unnati*, 1926-27, p. 351. Sarkar points out very felicitously that Manchester is the centre of British industrialism, the home of British socialism and the stronghold of the British co-operative movement (*Vide Vartaman Jagat*, Vol. II, pp. 514-16, 590, 614).

and the Chinese and Korean markets are near at hand (*Vartaman Jagat*, Volume on Japan, p. 379).

Modern cities have given rise to new social, economic and sanitary problems. But these also are being tackled very ably by the moderns. Modern housing schemes, modern town-planning systems (endeavouring, among other objects, to preserve rural features in urban surroundings) and the variety of functions undertaken by modern municipalities (e.g., those undertaken by the Manchester municipality—the running of tram-cars and electricity and gas-works, construction of better houses, providing free soap and water for unclean children, compulsory inspection of unclean children, erection of ideal wards, establishment of convenient hotels for sojourners in the town, subsidizing societies for child welfare, etc.)<sup>12</sup> show the heroic determination of modern Eur-Americans not to be baffled by any evil however great.

### III. *The Foundations of Modern Economic Life*

What are the factors which have raised the economic life of the modern countries to the level at which it exists to-day?

Sarkar lays stress on three great factors: (A) the efforts of the state (especially in the shape of advanced economic legislation), (B) the development of banking, and (C) the existence of a wide-spread system of technical, commercial and agricultural education.

The third factor will be discussed elaborately in a separate chapter. Here we shall consider only the first two factors as well as several other problems of importance in Sarkar's investigations.

#### (A) *The Efforts of the State*

Sarkar is not unmindful of the part played by resourceful individuals in the up-building of modern economic life. He himself is in favour of private initiative and approves of Governmental interference only or chiefly in matters which cannot possibly be cared for by private individuals (*Greetings to Young India*, p. 150).

<sup>12</sup> *Vartaman Jagat*, Vol. II (on Great Britain), pp. 594-599.

But, his work, *Economic Development*, is but one long song of praise of the very great part that modern states are playing in the economic betterment of their respective countries.

The economic activities of the modern state as pointed out by Sarkar are manifold and may be classified as in the following statement.

(i) *The State and Industries*

The modern state tries to help industries by protecting them from forceful competition either by imposing duties on goods imported from abroad or by conferring bounties on goods produced within the country. It also tries to oust the foreigners from control over industries within the country. Turkey's success in reducing foreign control over her railways, banks and shipping may be referred to (*Economic Development*, Ch. 34). But at the same time it does not hesitate to take foreign help whenever, wherever and to whatever extent necessary to push on the economic development of the country. The Japanese Government did not hesitate to take the help of foreign experts in order to train up the Japanese in the arts of modern agriculture, industry and banking. The Russian Government, while trying to be exclusive and self-sufficient, has found it to her interest to permit foreign firms to participate in her international trade and also to establish factories within her borders. The post-war development of the mercantile marine in Italy is the achievement of the Mussolinian Government.<sup>13</sup>

The state has been acting as a mighty agent in the industrialization of countries like Russia, Japan, etc. Russia is being rapidly industrialized to-day by the autocratic and centralized Russian State (*J.B.N.C.* 1928-29 pp. 141-143). Japan, which was almost a nonentity on the international stage till the end of the nineteenth century, established her claim to the rank of a first class power after the Russo-Japanese war in 1905, simply because of the process of modernization that had been set on foot by the Japanese Government since 1868. The Japanese Government

13 *Economic Development*, pp. 119, 256-257.

helped in modernizing Japan chiefly in the following ways: by enlisting the services of foreign experts for short periods (Sarkar noted during his visit to Japan in 1915-16 that the number of foreign experts had very much dwindled by that time); by sending students, bank officials, etc., for the best training in Eur-America; and by starting new industries and then handing them over to private individuals (*Vartaman Jagat*, Volume on Japan).

### (ii) *The State and Agriculture*

The modern state is trying to improve agriculture<sup>14</sup> by introducing better land-laws in order to deprive the big landlords of their excessive and superfluous lands and then to distribute them among the peasants (e.g., in Germany, Denmark, Great Britain, the states of Central and South-eastern Europe); by extending the use of electricity in the villages e.g., in France; by establishing experimental stations to demonstrate up-to-date methods of cultivation to the peasants (e.g. in Japan); by establishing intimate relationship between agricultural schools, colleges and universities on the one hand and the practical farmers on the other (e.g., in Great Britain); by extending financial help to the agriculturists through the medium of Co-operative Societies or otherwise (e.g., in France, Bulgaria; proposal of such state help in Great Britain); by protecting the industries which utilise the raw materials produced by the farmers and thereby indirectly helping agriculture (e.g., the protection of the sugar industry in Hungary has enabled the sugar manufacturers to settle minimum prices with the beet-growers and also to extend large premiums to them); by promoting agricultural research; and by importing the best agricultural knowledge from abroad (e.g., in Japan).

### (iii) *The State and Trade*

The modern state tries to encourage export trade by conferring bounties on producers, by standing guarantee for loans to producers, and by extending loans to the exporters. The Overseas

14 *Economic Development*, pp. 364, 366.



Trades Acts and the Trade Facilities Acts of Great Britain may be mentioned (*Arthik Unnati*, 1926-27 pp. 154-155). It tries not only to encourage the export of industrial but also of agricultural products; e.g., in 1924 Hungary was lowering her railway freight rates and began the manufacture of locomotives because of the lack of sufficient rolling stock—in order to push on her exports of agricultural products. Sarkar also points out that at that time the exportability of agricultural products was being scientifically studied in Hungary (*Economic Development*, pp. 304 and 305). But the export of agricultural products is being encouraged only when the minimum requirements of the country have been satisfied; e.g., Poland had calculated that she required 16 lbs. of sugar per head for home consumption, hence in 1924 export of sugar was allowed only after this minimum quantity had been kept within the country (*Economic Development*, p. 134). The various Exhibitions—local, national and international—which are increasing almost daily in number, vastness and variety, are but attempts on the part of the state (and also of the Mercantile Associations, Chambers of Commerce, etc. in some cases) to push on both internal and international trade by bringing the buyers and sellers together. Industry and commerce cannot thrive without finance. That finance is provided by banks. In every modern state the banks are subject to greater or less degree of control by the state.

(iv) *The State and the Efficiency of the Individual*

The modern states are not merely organisations for the maintenance of peace and order within the community. They are also great social service organisations (*Vartaman Jagat*, vol. II, p. 601). No doubt private social service organisations in Eur-America are not few or insignificant. No doubt also that it is these private organisations that very often show the first initiative. But the activities of the modern states in the direction of social service are so vast, so varied and so important that the efforts and achievements of the private organisations pale into insignificance.

The modern state aims at turning every individual into a healthy and efficient agent of production in all possible ways. Hence, whatever seems to hamper the efficiency of the individual is promptly removed.

No better illustration can be found of the paternalistic activities of modern states than Germany.

"Germany is the pioneer of industrial insurance." Hence, we first take up the achievements of Germany in that sphere.

"State insurance was completely developed in Germany in the decade between 1881 and 1890. Since then it has comprised three great branches: (1) insurance against sickness; (2) insurance against accidents; and (3) insurance against permanent disablement."

"For the sick insurance (law of 1883) two-thirds are paid by the employees and one-third by the employers. Against old age and disablement (law of 1889) the state bears a part of the burdens of insurance together with the other two parties. But the employers are exclusively responsible for the accident (law of 1884)."<sup>15</sup>

"Within two decades of the legislation Germany had 11½ million people on the sick insurance lists: There were over 23,000 sick benefit societies under imperial or local control, 18¾ millions were insured against old age and disablement, and 18⅓ millions against accident. The accident insurance really covered almost one-third of the entire German people."

As regards old age and permanent disablement, two classes of people are compelled to insure: (1) all working men, assistants and apprentices in every branch of trade above the age of 16; (2) employees in offices, engineers and shop-assistants, pilots, also teachers with limited incomes.

"By old age is meant the 70th year. At this age every German obtains from the Government an annual pension of 50

15 So far as accident and sickness insurances are concerned, the Government does not incur any expenditure, but credit is due to the Government for passing the necessary legislation (*Economic Development*, pp. 124-126). See also *Naya Banglar Goda-Puttan* (The Foundations of a New Bengal), Vol. I, (1932), 43-67.

gold marks (Rs. 37) and from the insurance fund a sum not exceeding 230 gold marks (Rs. 170).

"For permanent invalids also the Government's contribution is 50 gold marks per year. From the insurance fund they obtain a sum not exceeding 450 gold marks (Rs. 320).

"Accident includes death. As the problem of the *widow and the orphan* is attended to by this law, one can easily guess what a tremendous *sense of security* and economic staying power is felt in everyday life by 33 p.c. of the entire population in Germany.

"In case of the employee's death while at work in a factory, the law provides that the employer is to pay the expenses of the funeral. A pension is also assured to the relatives. The widow obtains 20 p.c. of the actual earnings of the deceased or of the average local wages. Each child until the age of 16 also obtains pension at the same rate."

Sarkar quotes Schumacher on the effects of industrial insurance in Germany, as follows: "The result of all these measures is that Germany is to-day *ahead of all other countries* in the matter of arrangements for the *protection of life and health*. We *largely attribute the most remarkable feature in the modern development of our German nation*, of modern German life, to this industrial insurance legislation."

Industrial Insurance was first introduced in Great Britain by Lloyd George in 1908-1911. His scheme embraced the following items: old age pension, minimum wage, national insurance. It was also adopted for the first time in France in 1924.

Some paternalistic activities<sup>16</sup> of the German Government since the War are the following: maintenance of 63,000 cripples, 367,000 widows and 105,000 orphans; a scheme for spending 600 million gold marks on public works (mostly canalisation) in order to prevent unemployment; extension of lavish grants (38 million gold marks) to charitable institutions; and helping

16 See the chapter on Various Forms of State Aid in Sarkar: *Ekaler Dhana-daulat O Arthashastra* (The Wealth and Economics of Our Own Times), Vol. I, (1930), pp. 223-238.

middle class people in distress by extension of subsidies, reduction of prices and so on.

The various factory laws passed in almost all the modern states for the *protection of the labourers* and especially for the protection of the *women and children* represent further endeavours in the same direction.

The achievements of the Italian Government in partially tackling the problem of malaria with the expenditure of Rs. 56 lakhs per year for 55 years (1886 to 1921), in order to drain or pump vast stretches of unhealthy tracts, even though there was no prospect of any financial return, shows to what extent a modern state can go in order to promote the health of its people. And it is pleasing to reflect that the Italian Government was repaid not only with higher land revenue from the reclaimed tracts but also with the better health and enhanced efficiency and vitality of the men and women of the land who are the sources and the creators of wealth.<sup>17</sup>

### (B) *Banking*

Banking has made giant strides in all the advanced countries. The development of modern banking is not very old. Even in countries like Germany and France it began to be really prominent towards the end of the nineteenth century.<sup>18</sup>

The banking systems of the modern countries differ in many details. In some the Governments merely control the privately owned banking institutions, in others certain banks are State institutions. In some there are strong and big central banks which stand as the prop and support of the other banks, in others the banks are without any central bank in the strictest sense of the term. In some there are a few big banks each with innumerable branches, in others there are a large number of independent institutions with but few branches. In some, the types of banks are

<sup>17</sup> *Economic Development*, ch. 13.

<sup>18</sup> *Economic Development*, Ch. 21. See the chapter on the "Bank Capitalism of Young Bengal" in Sarkar: *Applied Economics* Vol. I, (1932), esp. pp. 188-120, 124-127, 158-160.

very various, in others only a few common types exist. The banking systems of the various countries also differ as regards the method adopted for the safety of the note-issue or the control over deposit business.

But, in spite of these numerous differences, banks serve one and one purpose only, *viz.*, to properly mobilize the financial resources of the country. They draw in the funds of the community which would otherwise lie idle, multiply the funds many times over through the media of notes, cheques and other credit instruments and drive those funds into the needy channels of trade and industry. The importance of banks therefore lies in the fact that they provide the funds which the innumerable firms carrying on manufacturing or commercial operations in modern countries always require in order to carry on their activities.<sup>19</sup>

The industrial and commercial advance of modern Germany owes a deep debt to the development of banking. This is emphasized by Sarkar in the following passage :

“German banking which was almost *timid* in its operations down to 1895, commenced at this date an *abrupt career of expansion*. The activity has expanded, as is evident, geographically both inland and overseas. But the geographical expansion has in every instance been brought about by the urge to *tap all sorts of industries and agricultural enterprises at home* as well as promote commercial ventures abroad. The iron and steel industries of the Rhineland, the navigation and maritime trade on the Rhine, the phosphate manufactures of Hanover, the textile and food industries of Saxony, the farming interests of Southern Germany, the electrical industries of Berlin and environs—*each and one of the manifold wealth-producing factors of German life* has since been *consciously served* by a bank or a group of banks.

“The growth of the industries brought with them the *craving for markets* and the *demand for export facilities*. In this commercial expansion of Germany the banks have been playing a *well thought-out and systematic plan* since 1895. Every ‘group’

19 *Naya Banglar Goda-Pattan*, Vol. I, (1932), pp. 16-42.

of banks is an industrial as well as an export institution. The enterprise of banks contributed already in 1905 to the establishment of Germany as a world power in every sense."<sup>20</sup>

In their efforts to advance the economic prosperity of their country the Japanese early understood the importance of banking. The first Japanese bank to help international trade, *viz.*, the Yokohama Specie Bank (before that Japanese international trade was under the control of foreign banks), was established in 1880. Banks to help agriculture and industry (the Hypothec Bank and the Industrial Bank) were established early in the twentieth century. Banks were even established which would lend without any security, only if they were convinced that the borrower had the character and capacity to profitably utilise the loan.<sup>21</sup>

Banks have grown in size with the growth of industry and trade. The need for financial operations on a larger scale and that for the reduction of risk of the shareholders necessitated the introduction of the joint-stock principle in the banking business. The process of trustification which is going on to-day in the region of industries, has also proceeded apace in the banking world. The amalgamation of the banks, *i.e.*, the merger of several banks into bigger units, has the same impulses (*viz.*, economy, cheapness, enhanced efficiency, etc.) which lie at the root of industrial trustification. Besides, the various economic activities of the modern world are so bewilderingly complex that, as in other spheres of modern life, a sort of rough specialisation has crept in into the region of banking also. Banks have grown up for the support of international trade, or of inland trade, or for the establishment of industries, or for the extension of short-term loans to the merchants, the expansion of existing firms into bigger ones, the floating of new concerns, helping agriculturists with loans on the mortgage of their lands, keeping safe deposits, etc.

Banks have their foundations in the confidence or trust in others. The greater and more numerous the banks of a country, the solider, therefore, is the character and the sounder the morality

20 *Economic Development*, p. 80.

21 *Vartaman Jagat*, Volume on Japan, p. 248.

of that country. Banks, therefore, serve the purpose of an instrument for an infallible measurement of the national character.<sup>22</sup>

Not only that. As already said, banks constitute the centre round which the economic organizations of a country congregate. They are the foundations on which economic institutions build themselves up. They manufacture the life-force which pours vitality into industrial and commercial activities. Hence, banks are not only 'the barometers of national character,' they also constitute a faithful index to the economic strength and greatness of a nation.

#### IV. *Agriculture in the Modern World*

There are scholars both in our country and abroad who are accustomed to think that agriculture is the God-ordained line of India's economic activity and that commerce and industries are the special preserves of the Eur-Americans. Sarkar, however, realized soon after his setting foot on the French soil in April 1914 that agriculture is as much cared for in that country as industry.<sup>23</sup> And this conviction was deepened in his subsequent visit to Great Britain in the same year. He points out in the *Vartaman Jagat* (Vol. II) written at that time that agriculture in Great Britain also is carried on with the greatest possible care, that it is carried on there on a much larger scale than in India. We are told that 150 bighas are considered the minimum for cultivation with machineries and that machineries are widely used in England. Besides, up-to-date scientific knowledge and chemical manures and labour-saving machineries are pressed into requisition in order to extract the utmost from the soil at the lowest possible cost. Various subsidiary industries, such as animal husbandry, poultry-farming, bee-rearing, etc., are resorted to side by side with agriculture in order to supplement the earnings from the tilling of the soil. It is pointed out that the character of modern

22 *Arthik Unnati*, 1926-27, pp. 623-24.

23 As regards Sarkar's reflections on the balance between agriculture and industry in France and the interdependence between the two, see *Vartaman Jagat*, Vol. II, pp. 217 and 219.

agriculture has been very much transformed owing to the application of the co-operative principle in agricultural production, marketing and finance. Co-operative production, marketing and finance have enabled the small scale farmers to enjoy the benefits of large-scale operations. He points out that the co-operative movement in Ireland enabled Irish agriculture to regularly supply eggs and butter of uniform quality to the British market; and in this way Irish agriculture succeeded in ousting rivals such as Russia, Denmark, etc.

Agriculture cannot improve without the introduction of the best possible legislation in relation to land. It is pointed out that in this respect, as in respect to Industrial Insurance, Germany is the pioneer. In 1820-21 a law was passed in Germany providing for the consolidation of fragmented holdings. In 1882 a law was passed for the undivided inheritance of the consolidated holdings. In 1890-91 a law was passed for the purchase of land by the Government from the landlords and for the distribution of those lands among the peasants, in order to provide them with the minimum area (119 bighas)<sup>24</sup> that is necessary for the support of the cultivator and his family. In 1919 a law was passed abolishing the system of *Fideikomisse* (i.e., the tendency among industrial magnates to found country estates and to keep large areas in the control of their families) and preventing landlords in certain districts from holding any estate larger than 875 bighas.

The example set by Germany as regards "increasing the size" of the holdings through the compulsory expropriation of the landlords with indemnity (in most cases insufficient) began to be followed in Denmark in 1899 and in Great Britain in 1908. The same movement for the creation of "small holdings" in place of big estates has made its appearance after the War in some of the smaller states of Europe such as Czechoslovakia, Rumania, Yugo-Slavia and Poland. "Family farms" are now common in Western thought.

It should be noted that not only is there the attempt to increase

24 44 bighas in Denmark and 175 bighas in England.



the size of the existing holdings, but that there is also the attempt to convert the landless agricultural labourers into peasant proprietors. Besides, the newly created farmers are helped with Government loans to enable them commence agricultural operations.<sup>25</sup> Various restrictions also are imposed on the farmers (some of the restrictions on Danish farmers: sub-division, amalgamation or addition not allowed; inheritance to be single and undivided; nobody allowed to let or to build any houses to let, etc.) in the interests of the nation.

Agriculture in the modern state is promoted because it is considered as absolutely necessary for national self-sufficiency and for the preservation of national health and maintenance of military strength. While highly developed industrial states are trying to improve their agriculture, newly industrializing states also, e.g., Russia and the Balkan States, are not sparing their efforts for the same end.

It appears therefore that agriculture is not at all neglected in the advanced countries. In spite of it, however, the drift of men from agriculture to industries goes on unchecked. What is the reason for this? The fundamental reason is that agriculture is unpopular. It is unpopular because it is not sufficiently paying to the labourers. And low rates of wages prevail in agriculture because the incomes of the farmers are low. The incomes of the farmers in their turn are low because of the low prices of agricultural produce and high value of land. If the prevailing tendency, therefore, is allowed to go unchecked, agriculture will be made to go to the wall by industry. But because of the sociological benefits from agriculture, it is realized in modern Europe that it must be preserved and made profitable at any cost. Various methods are being adopted to make agriculture profitable—e.g. (a) co-operation;

25 "The lands are however in many cases difficult to work and can be managed with quite liberal outlays in capital and cattle such as only 'big land-owners' can command. The state is therefore coming to the aid of the peasant and seeing to it that the problem of production may be well attended to, even under the conditions of *petite culture* such as have been created by the redistribution of the lands."—*Economic Development*, pp. 203-4. See also *Ekater Dhanadaulat* Vol. I, (1930), pp. 394-399.

(b) internal colonizing; and (c) the small holdings movement. Sarkar quotes Hainisch<sup>26</sup> as emphasizing that none of these steps will enable agriculture to thrive and that the state itself must be prepared to take agriculture out of private hands and conduct it as a national monopoly if it is to be saved from the unequal competition with industry.

### V. *Recent Tendencies in Modern Public Finance*

As in other departments of economic activity, so in public finance also, the modern world records a greater and greater advance towards a better condition of things. Some of the leading features of modern public finance are: the attempt to study each item of taxation from the economic aspect, the exemption of a minimum income from taxation, the levying of taxes according to the ability to pay, the ever-increasing application of the progressive principle in taxation both as a means of 'equalizing the burden' and as 'a measure for the redistribution of wealth,' the levying of higher and higher taxes with a view to developing the community in diverse directions and thus returning the money drawn from the community with tenfold benefit, etc. These show the fundamental motives and forces that are moving public finances in the advanced countries.<sup>27</sup>

On this point the following extracts from Sarkar's speech, delivered at a meeting of the Indian Economic Conference held in Calcutta in 1927, will be found interesting :

"During the last generation in all the advanced countries of Europe and America, the states have been realizing, and the peoples getting used to, only one slogan and that is, 'taxes, more taxes and still more taxes.' The British theory and practice of death duties or inheritance taxes are quite well known. The extreme Bolshevistic programme of progressive taxation which constitutes virtually expropriation or confiscation of property need

26 *Political Philosophies Since 1905*, pp. 227-8, and article on "The New Economics of Land" in *The Calcutta Review* for 1927, pp. 339-342.

27 On this point see *Political Philosophies Since 1905*, pp. 204 and 205, *Ekater Dhanadaulat O Arthashastra* (The Wealth and Economics of Our Own Times), Vol. I, (1930), pp. 238-253.

not be discussed for the time being. But 'capital levy' as adumbrated in England, as well as the taxes on industry as established in Czechoslovakia, Germany and other countries indicate which way the financial brains of contemporary mankind have been tending. And to-day we are in the midst of an agitation in Great Britain which seeks to graduate the taxes on property in such a manner that by the third generation it ceases to remain private and escheats to the state."

"It is desirable to remember that the responsibilities of modern democracies are *considerable*. The states have been assuming on their shoulders the duty of providing to the people almost *everything that is necessary for their physical and moral uplift*.'" <sup>28</sup>

## VI. *Economic Independence of Modern Women*

The movement for the economic independence of women is very recent. It began in the advanced countries early in the twentieth century—though traces of it might be found even towards the end of the nineteenth century—and it received a tremendous push during and after the Great War.

During Sarkar's visit to England in 1914 he found women working as housekeepers, teachers, musicians, factory-workers, etc. in order to earn their livelihood. He points out that married women are compelled to work in order to meet the expenses of the family.

In the U.S.A. he found women working in large numbers as teachers, type-writers and private secretaries—apart from a large number participating in honorary and very useful social service activities.

In the course of a public lecture in Calcutta in 1926 on "Modern Women in the Economic World" he pointed out that the German women of to-day have taken to various occupations in order to earn their livelihood. The professions mentioned are the following: 1. Housekeeping. Those trained as housekeepers manage hotels, restaurants, students' hostels and also

<sup>28</sup> *Greetings to Young India*, pp. 156-158.

conduct model schools for boys and girls. 2. Serving as cooks and maid-servants. Even cooks and maid-servants have to get special training in schools after passing from the compulsory Government schools. These special schools began to be started by the German Women's Association established in 1865 with the object of raising German women up to the modern standard. 3. The manufacture of cheap dresses, hats and other silk, cotton and linen goods. Women cannot ply these trades unless they get certificates of competency from municipal authorities and from special technical schools after having passed from compulsory Government schools. 4. Women also work as (a) assistants in medical research laboratories, (b) assistants in hospitals, (c) research-workers in metal mines, (d) chemical examiners of food-stuffs, and (e) assistants to engineers. 5. Besides, they also take to the paid social service occupations as: (a) specialists in the nursing of particular types of diseases, (b) specialists in matters affecting the health and education of children, (c) workers in various types of economic institutions as collectors of up-to-date information about banking, insurance, technical matters, etc. Women cannot work as paid social service workers in any of the various capacities mentioned, unless they attain educational qualifications as high as those of Indian graduates, gain practical experience in some establishment for a certain period, and then get special training in some school and attain at least the age of 24 or 25.<sup>29</sup>

It thus appears that in Germany an elaborate arrangement exists to enable women to specialize in various lines and thus to earn an income whereby they stand on their own feet and at the same time contribute handsomely to the economic, cultural, technical and hygienic progress of their 'fatherland.'

## VII. *Benefits of Modern Economic Life*

The most important advantage of modern economic life is that it has made the attainment of a high level of comfort and prosperity possible, because of the cheapening of commodities and

the production of commodities on a large scale. The standard of living and the level of wages are much higher in modern countries than in those which are still in mediæval economic conditions or are still in the transitional stage between the mediæval and the modern. Even the labourers of the modernized countries have a standard of living which is still far higher than that of the middle classes in countries like India. Because of the all-round economic development of modern countries, an expenditure of a certain sum of money will enable a person to get much greater comfort there than in the backward ones.

Another important advantage is this. Nature has not endowed every country with the best resources necessary for industrial greatness. For example, Switzerland is a small rugged country lacking in the raw materials necessary for material prosperity of a high order. Agricultural progress is not also possible there because of the rugged nature of the country. Yet, that country with a population of only 40 lakhs of people has achieved a high degree of material prosperity.<sup>30</sup> "Switzerland with a population of *four millions, i.e.,* forty lakhs is not larger than any *two or three districts* of Bengal. And yet it may be described as *a power in the world's economic system . . .* Water-power is perhaps *the only resource* with which Nature has plentifully endowed Switzerland. 22·4 p.c. of the territory is unproductive land. And yet Switzerland happens to be *one of the richest and most expensive countries* of the world. *The hand of man has converted* this rugged mountain region into an *earthly paradise from the economic point of view.*" The savings of the people in Switzerland amount to 667 fr. per head (in 1835 it was 8 fr. per head) and there are only 50,000 persons who earn an income so low as Rs. 40 per month. The variety of industries in that country is remarkable. And she is competing with first class nations in the production of commodities such as watches, electrical goods, machineries, etc. Even the first class nations consume enormous quantities of Swiss goods. The industrial efficiency, the international trade and the consequent material prosperity of

30 *Economic Development*, p. 246.

Switzerland are such that Sarkar lovingly calls her 'a Germany in miniature.' The prosperity of the Swiss has been possible because they have adopted modern economic organisation and modern industrial technique.

### VIII. *The Evils and How they are being Combated*

Just before the World War, when Sarkar paid his first visit to England (May 1914) his view about modern economic life had not assumed any pronounced form. On the one hand, the prosperity of the European countries, their marvellous powers of organisation, their might and splendour extorted his admiration. On the other hand, the various evils of modern economic life appeared before his eyes very prominently. The then impressions of his are embodied in his Bengali work, *Vartaman Jagat*, Vol. II. In numerous places of that volume he mentions the various evils of modern economic life which drew his special attention at that time. These are: (1) that the labourers suffer from ill-health; (2) that the lives of the labourers are very monotonous because they have to attend to the machineries for hours together and have to work like living machines by the side of the lifeless ones; (3) that the sense of beauty is being destroyed; (4) that the life of the labourers is full of anxiety and trouble; (5) that fresh air is difficult to get in the cities; (6) that family life is being destroyed because many of the duties (education, cooking, etc.) usually discharged by the family are now discharged by the society;<sup>31</sup> and (7) that poverty is not disappearing in spite of increase in wealth (*Vartaman Jagat*, Vol. II, p. 612).<sup>32</sup>

Though he was an admirer of the modern world at that time,

31 The sum and substance of Sarkar's remarks on the differences between Hindu and English families is that Hindu family is a society in miniature, while in England the individuals are but mere units forming parts of a bigger complex, viz., the society or the nation.

32 But note the following passage written at almost the same time and appearing at p. 212 of *Vartaman Jagat*, Vol. II: "I have passed from the southern to the northern end of France. But I do not remember to have seen anywhere any sign of misery or poverty . . . . Even the poor men of France appear to be happier than middle-class people in our country."

yet his mind was full of the idea that the Hindu ideal of life is superior to that of the West. Hence, he was predisposed to interpret the British movement for small industries, revival of agriculture, etc. as but a progress towards the Hindu ideal of life.

In spite of that state of his mind, we find him deeply appreciating the heroic efforts of the Westerners in solving their own economic and social problems.

He enumerates the following as specimens of such efforts :

(1) The rich are aware that they have obligations towards the poor. New ideals of social duty are being preached among the rich. The rich are founding charitable institutions and spending money for town-planning, housing, betterment of health, etc. ;

(2) Taxation of the rich for the amelioration of the poor ;

(3) The establishment of social service organizations such as the Boy Scouts movement, the Fresh Air movement, etc. ;

(4) The establishment of Trade-Unions to enable the poor to combat with the capitalist class ;

(5) The starting of Co-operative Societies as a solution of the poverty problem and as a means for the democratic control of business in place of the oligarchic control represented by the joint-stock firms.

In the *Vartaman Jagat* Volume on the U.S.A. Sarkar points out that the conditions of modern life are such that the family as it has existed in the world till now, on the basis of the inferiority of the female to the male, is being destroyed and is bound to be destroyed and that the modern tendency is towards the establishment chiefly of friendly relations between the male and the female. He does not approve or disapprove of the tendency. He is simply content with pointing his finger towards the direction in which the relations between the male and the female are gradually tending. And he also points out that the same loosening of the family bond and the establishment of the relationship between the male and the female on a basis of equality, will make their appearance in every country which will adopt the forms and processes of modern economic life.

His present attitude towards the evils of modern economic life

is shortly this. He does not deny that there are evils. He is conscious especially of the following: (1) the bitterness of relations between the labourers and the capitalists; (2) the problem of alternate industrial booms and depressions; (3) the unpopularity of agriculture and the growing exodus from the village into the town; (4) the evils of trustification, etc.

But he forcefully points out that the moderners are doing their best to combat them and have been considerably successful in that direction.<sup>33</sup> For instance, the institution of systematic researches into the problem of industrial crises, e.g., by the Crisis Institutes of Harvard, Berlin, Vienna, etc.; the undertaking of development works by the states in times of industrial depression; and the administration of all the economic activities of the country by a central body of economists, statisticians and technical experts—are referred to as some of the remedies tried in order to meet the problem of industrial crises. He also points out that it does not befit those who occupy a lower level of economic life to stick to it with tenacity and to refuse to advance to the higher level simply because of a magnified conception of the evils of that life without considering the advantages attendant thereon.

## IX. *The Future of Man's Economic Life*

Sarkar points out two important factors that will become conspicuous elements in the future economic life of mankind.

### 1. *Socialism*

Modern economic life is organized on a capitalistic basis. Private initiative due to the incentive of profits appropriable by private individuals provides the main stimulus for modern economic activities. The working classes however demand that the agents of production, distribution and exchange should cease to be private properties and should become properties of the community,

<sup>33</sup> *Political Philosophies Since 1905*, pp. 232, 241 and 248, *Applied Economics* Vol. I, (1932), chapter on *The World-Crisis in its Bearings on the Second and the First Industrial Revolutions*; "Technique and Finance of Health Insurance" (*Journal of the Indian Medical Association*, Nov. 1933).



so that profits, rent and interest would not remain appropriable by private individuals but would go to the community.

Till now, practical experimentation in socialism on a national scale has taken place in one country only, and that too has found it necessary to partially revert to capitalism and also has been attended with many unhappy features. Nevertheless, Sarkar points out that socialism is the end towards which modern economic organisation is gradually tending. The activities of modern Government everywhere are more or less socialistic. The principles of modern taxation have become tinged with socialism. Economics is no longer a science of the accumulation of wealth—it is a science for the advance of the material welfare of all classes of people.<sup>34</sup> Labourers are growing in power and capitalists are becoming more reasonable and in many cases are gracefully yielding. The world thus is making slow but steady advance to a state of things in which the productive and distributive activities would be carried on not for the profits of a few private individuals but for the benefit of society at large.

## 2. *Economic Operations on a World Basis*

To-day modern countries are organized on a nationalistic basis. Efforts on the part of modern states for the development of agriculture and industries have but one principal motive, *viz.*, to strengthen the nation and each unit of the nation. Political nationalism provides a good deal of the energism that compels the participation of the modern state in economic activities. The wide prevalence of Protectionism is the best illustration of this fact. Whatever of international co-operation there is, exists not because of any solicitude for the welfare of mankind, but because the co-operating nations (or organizations) find combined action necessary for their own development.

Sarkar, however, expects that the day would soon dawn

34 The Preface to Sarkar's *Economic Development*, and *Greetings to Young India*, p. 45.

when economic problems would be studied and economic activities carried on, not with a view to advancing the material interests of a particular section of mankind but those of mankind at large. This was made clear in a speech delivered at the Rotary Club, Calcutta, on 21st July, 1926. We quote the last para from that speech :

“In the near future the legal, economic, and political relations between nations are *going to lose much of their traditional significance*. International intercourse bids fair to assume the character of a *round-table study* of the raw materials, human agencies, and financial resources of the world with a view to the *fullest utilisation of each in the interest of the happiness of mankind*. The patriots and nationalists of the different sections of the world *must have to reshape their philosophies and policies en rapport* with the demands of this *new era of interdependence, mutual exploitation and world economy*.”<sup>35</sup>

35 *Greetings to Young India*, p. 76; also see p. 117. See the chapter on World-Economy as Embodiment of Technocracy and International Law in Sarkar: *Imperial Preference vis à vis World Economy* (Calcutta 1934).

### Section B. Vocational Education To-day

Sarkar attaches importance to education as one of the diverse aids to bringing out what is best in every individual. The spread of education, general or technical, and the heightening of the standard of education he regards as important because education is one of the many factors which contribute to the efficiency of a people. "There are many other factors besides education which play a *formative force* in the human personality. But all the same, the importance of education, literary, scientific and technical, in *individual or collective efficiency*, cannot be entirely ignored. In no scientific study of a *people's working capacity or possibilities of achievement* should it be reasonable to leave out of consideration its educational institutions, *primary, secondary, university and professional*."<sup>1</sup>

While in no way ignoring the importance of general education in contributing to the efficiency of a people, he attaches the greatest importance to vocational education because of its very great help in contributing to the industrial power of nations. It will be remembered that we have already mentioned that, according to him, advanced vocational education constitutes one of the factors which lie at the foundations of modern economic life.

Sarkar has carried on a first-hand study of the educational institutions and systems of almost all the advanced countries with more or less intensity. So far as vocational education is concerned, he has paid the greatest attention to the systems prevailing in Germany and France, and next to these to those prevailing in Great Britain, the U.S.A., Japan, Italy and the U.S.S.R. We shall deal with the advanced countries in the order mentioned, and after that we shall close with a few remarks and statistics about general and professional education and educational finance.

In studying the facts and figures given in this connection, however, it should be borne in mind that the factual contents of

<sup>1</sup> *Comparative Pedagogics in relation to Public Finance and National Wealth* (Calcutta 1929), p. 1. See also his *Introduction to the Science of Education* (London 1912) and *Shiksha-Samalochna* (Problems in Education), 1912.

the terms 'schools', 'colleges', 'universities', 'higher' or 'lower' professional institutions, etc., are not absolutely the same in the countries under consideration and also that considerable adjustment in the official figures had to be made by him in order to bring them down to a more uniform basis.

### *Germany*

Vocational education in Germany may be discussed under three broad headings:<sup>2</sup> (1) Commercial Education, (2) Technical Education and (3) Agricultural Education.

#### (1) *Commercial Education*

As regards commercial education there are four grades of institutions in Germany. At the top are 5 Commercial Universities. Below them are 35 Higher Schools of Commerce. The third rank is occupied by the Secondary Schools of Commerce which are 57 in number. The lowest type of institutions of this class are the 70 Lower Schools of Commerce.

The first class represents 'the highest type of educational institution in the commercial line'. In 1925 there were 7091 students prosecuting studies in these institutions. The second class is meant for those 'who are expected to take a leading part in commercial or industrial life' either as employees or as independent businessmen. In 1919 there were 600 boys and 1300 girls in these institutions. Students in these schools are 18 or above and are *Gymnasium*-passed.<sup>3</sup> The third class of schools are but Secondary Schools proper with special compulsory commercial classes. They have been set up only in order to create in the students a special taste for commerce. These schools had a total of 5,082 students in 1921. The students are generally below 18. The lowest class of the Commercial Schools are meant for the turning out of efficient office-clerks. The minimum age of students at these schools is 14. And the minimum qualification is the elementary school final certificate. In 1919, 2,100 boys and 6,900 girls were studying in these institutions.

2 *Economic Development*, Chaps. 12, 29, 30, 31 and 44.

3 i.e., holders of the Secondary School final certificate (Indian Graduate).

(2) *Technical Education*

Technical education is imparted in three types of institutions : the Technical Universities, the Continuation Schools and the Subjects-Schools.

*Technical Universities* : In 1925 there were 10 *Technische Hochschulen* (Technological Universities) in Germany with 26,126 scholars.

*Continuation Schools* : In Germany every boy or girl below 18, who has finished education in the compulsory elementary public school (teaching students between 6 and 14 and having the same standard as the Matric Schools of India) and is engaged as a worker in some establishment, is required by law to attend some school or other in order that he or she may acquire higher education in the technical line to which he or she belongs. The teaching is *free of charge*. The schools set up for this purpose are known as Continuation Schools, as they help the further prosecution of studies in a particular line after the completion of education in the elementary schools. Students are required to undergo training in the schools for a period varying from one to four years according to the school attended.

Further particulars regarding these schools will appear from the following figures :<sup>4</sup>

		Institutions	Scholars
1920	Trade Schools ...	850	140,000
1910	Industrial Schools ...	3,600	540,000
1922	Factory Schools ...	95	13,738
...	Railway Schools ...	...	...
1912	Government Mining		
	Schools (Saar)	56	4,190
1912	„ (Upper Silesia)	...	1,059
1922	Mansfeld Mining Schools	70	2,000
	Westphal Mining Schools	120	5,000
	Rural Schools ...	...	...
	Women's Schools ...	...	...
		<hr/> 4,791	<hr/> 705,987

<sup>4</sup> *Comparative Pedagogics in relation to Public Finance and National Wealth* (Calcutta 1929), p. 25.

The general characteristics common to these Continuation Schools are as follows: (i) the students are actual employees and attend the schools for a few hours (varying from 5 to 12) every week; (ii) the students are generally between 14 and 18; and (iii) whatever be the subjects studied, three courses are almost universal in all the different varieties of these schools: physical exercise, gymnastics, sports, excursions. By the bye, "Civics" implies not only the knowledge of general economic, political and legal conditions but also the study of the cultural institutions of the country such as museums, galleries, theatres, exhibitions, zoological gardens, scientific discoveries, etc."

The expenses of these schools are borne by the state or the cities. But the industrial guilds, unions of artisans, chambers of commerce, trading corporations, etc., are also compelled to provide for them.

These schools are under the control of the Ministries of Commerce, Industry, Forestry and Agriculture, and to a very slight extent under that of Education. From this it appears that greater importance is attached to the *economic* than to the *educational* aspect of these institutions. That is, these institutions have a definite economic purpose to serve.

Sarkar remarks as follows on these Continuation Schools: "These are the various agencies through which the peasants, working men, as well as the lower middle classes of Germany, are being educated not only to become *efficient hands and feet of German economic life*, but also to grow up into *able-bodied and patriotic citizens* for the 'Fatherland'."

*Subjects-Schools (Fachschulen)*: These schools are intended to impart training in various technical subjects. These are not part-time like the Continuation Schools but whole-time institutions. Apart from the schools of mining, most of these are run either by the state or the cities. The scholars are usually 18 or above. Previous practical experience for definite periods is insisted upon before admission. Sarkar would like to call these schools Intermediate Technical Colleges.

The various classes of Subjects-Schools, their number and the

number of scholars reading in them will appear from the following figures :

		Institutions	Scholars
1921	Schools of Architecture	60	12,730
1922	„ „ Metal Industry	35	...
1922	„ „ Manufacture	1	...
	„ „ Spinning and Weaving	...	...
1922	„ „ Industrial Arts	85	...
1924	„ „ Mining (Prussia)	11	1,759
1924	„ „ Navigation	12	1,658

Schools of architecture teach both overground and underground architecture. Schools of metal industry are of two classes : those which teach mechanical engineering and those which impart education in smithies of various sorts, the tin-man's trade, installations of all kinds, etc. Schools of manufacture are practically the same as those of mechanical engineering. The only difference is that while the latter lay stress on machines, pulleys, levers, etc., the former lay stress on technology, i.e., on the following subjects : raw materials, measuring instruments and machine-tools, the chemistry of manufacture, foundry work, smithy, dyeing, installation of workshops, management of factories and book-keeping. Schools of spinning and weaving teach subjects such as the following : silk and velvet manufacture ; manufacture of ribbon, lace, etc. ; dress-making, spinning and weaving in wool, cotton, linen, etc. ; hand-weaving (taught in a school in Silesia) ; the commercial side of the textile industry ; textile technology and chemistry. Some of these schools are very highly specialized. There are two grades of textile schools : (a) those which aim at turning out expert work-men and (b) those which aim at producing expert managers, directors, etc., of textile factories. The schools of industrial arts and handicrafts are meant for the following classes of artisans : carpenters and manufacturers of furniture, house-decorators, painters, modellers, sculptors in wood and stone, wood-carvers, metal workers, die-cutters, blacksmiths, silver and goldsmiths, enamel-workers, designers, painters of advertisements, printers and compositors, book-binders, glass-painters, glass-cutters, and porcelain artists. For women there are special classes

in these schools for weaving, knitting, needle-work, embroidery of all sorts, clothing fashions and garment-making. The artistic, technical and the commercial aspects are emphasized in all these schools. Industrial legislation and civics also are taught. The schools of mining impart instruction in anthracite mining, as also in the mining of brown coal, iron ore, salt ore, iron and other metals as well as slates. Eleven schools are run by mining associations under the control of the state and only 1 is run by the state. Out of 30,000 mining engineers and mine officials in Germany 12,000 are the products of these schools. The schools of navigation impart instruction in the following different classes of navigation : coasting navigation, short-distance shipping, fishing in high seas, piloting, high *i.e.*, long-distance shipping. In the case of the other *Fachschulen* the period of instruction varies from 2 to 4 years, but in the case of the schools of navigation the period of instruction varies from 2 weeks in the case of coasting navigation to 20 weeks in the case of long-distance shipping and 40 weeks in the case of piloting. The average number of students annually undergoing instruction in the various branches of navigation between 1910 and 1913 will appear from the following figures : coasting—200 ; short-distance shipping—286 ; high sea fishing—61 ; piloting—665 ; long-distance shipping—456. It appears that the largest number of students take to piloting and long-distance shipping.

Besides the above, there are special schools for special industries. These schools impart instruction in the following industries : (a) smithies, (b) installations, (c) instruments and machine tools, (d) clocks and watches, (e) precious metals, (f) wood-carving, (g) toys, (h) musical instruments, (i) willow-reeds, (j) chemical engineering, (k) paper manufacture, (l) dyeing, (m) soap-making, (n) bricks and tiles, (o) porcelain, (p) glass, (q) photography, (r) leather industry, (s) garment-making, (t) food-products, (u) hotel management.

These schools belong to the same type as the schools for industrial arts and crafts already mentioned. Unlike the Continuation Schools, however, both these classes are meant for students who are not engaged in earning their bread. But, while the age



at admission of students in the various types of *Fachschulen* is about 18, that of students entering the schools for special industries is about 14. Most of these schools are run by the state, but some are run by manufacturers' associations and private individuals.

Sarkar's remarks on the *Fachschulen* (Subjects-Schools) of Germany are highly interesting and instructive and deserve to be quoted at length :

"The industrialisation of Germany as that of other countries has been brought about by *many factors*. As a rule *outsiders* cast their eyes on the *Technische Hochschulen*, technical high schools or colleges, which academically and socially enjoy the rank of universities, as the *chief if not the sole spiritual sources* of Germany's industrial might.

"On an *intensive examination*, however, one should be *inclined to revise* one's impressions and judgments. One discovers that Germany is a *veritable jungle* of industrial, professional and other institutions. Their name is legion and they are *bewilderingly complex*.

"It is this vast number of technical schools of all denominations, distributed as they are in every nook and corner of Germany, *that has democratized inventions, discoveries, industrial skill, practical experience and scientific knowledge* among the masses of the German population. *The backbone of industrial Germany is built upon the nurture furnished by these schools*, which although bearing the modest name of a *Schule*, i.e., school as contrasted with a 'high' school, have not failed to maintain a standard of tuition sufficiently high, as may enable the scholars to take charge of factories and workshops as responsible *Fachmänner* or experts.

" '*Industrial research*' is a problem for which perhaps in most cases the best equipment can be secured in a *Technische Hochschule*. In order to equip oneself, further, as a *teacher of industries for a technical institution* one generally provides oneself with the training and discipline such as are available in a *Technische Hochschule*. But those whose chief interest lies in the *building*

*up of factories and workshops find their aims invariably best served in such technical schools as are known as Fachschulen, 'Subjects-Schools.'* "

### (3) *Agricultural Education*

The various grades of agricultural institutions are adapted to the standard of general education attained by the entrants.

Those who have passed from the Secondary Schools (their academic standing is the same as that of Indian Graduates) may study either in the Agricultural Universities or in the Agricultural Seminars.

The Agricultural Universities are 13 in number. Of these 4 are self-contained Agricultural Universities in the strict sense of the term. They are located at Berlin, Bonn, Hohenheim and Weihenstephan. Eight are but Agricultural Institutes attached to the ordinary Universities, *viz.*, the Universities at Königsberg, Breslau, Halle, Göttingen, Kiel, Leipzig, Jena and Giessen. The *Technische Hochschule* at Munich has an agricultural branch attached to it. All the Agricultural Universities are maintained by the Government. These Universities confer the degree of the Doctor of Philosophy on the successful students.

There are in all 11 Seminars for Agriculturists. While the course in the Universities is for 3 years, that in the Seminar is for 1 year only. Hence, these Seminars better meet the needs of practical agriculturists who have neither the time nor the money to get instruction from the Universities. The Seminar-passed men are fit to take independent charge of large agricultural undertakings. Officials of the Government agricultural departments are also recruited from them.

The *Volksschule*-passed men (i.e. those who have passed from the elementary schools equivalent to the Indian Matriculation schools) can study agriculture in the following three classes of institutions: (a) the real Agricultural Schools; (b) the Continuation Schools; and (c) the Secondary Schools of Agriculture.

The first class is meant for the actual tillers of the soil. These are 450 in number. Of these 30 are held throughout the year,

while 420 are held only in the winter. The winter schools are very popular for two reasons. First, they enable the sons of peasants to assist their parents in agricultural work in summer. Secondly, they are less expensive than the 30 whole-time schools. During summer the teachers of winter schools visit the fields of the farmers along with the students and help the farmers with their advice. The teachers serve as the connecting links between theoretical knowledge and practical experience and also between village life and the outer world.

Those *Volksschule*-passed boys who have already taken to some paid agricultural employment are compelled by law to undergo training in agriculture for four years in the Continuation Schools of agriculture. The teaching in these schools is imparted side by side with the employment of the students, and is given free of charge. The employers have to bear the expenses.

Boys who have completed their career in the *Volksschulen* may enter those secondary schools which, while teaching general subjects, lay special emphasis on agriculture. These secondary schools of agriculture (Sarkar calls them 'semi'-agricultural schools) appear to be of the same type as the secondary schools of commerce which are meant to create a taste for commerce. There are 21 such schools in Germany.

Apart from the above, there are other agricultural schools which only teach special agricultural subjects. These specialised agricultural schools are of two classes: those which admit students who have proceeded up to the secondary school standard (Indian Graduate) and those which take in students who have passed from the elementary schools (Indian Matric). To the former class belong the higher schools of gardening and the schools of land-improvement. Students trained in the schools of gardening are in high demand as gardeners or inspectors of parks and gardens. Scholars passed from the latter schools are known as 'improvement technologists' and 'meadow architects'. Their services are utilised in effecting land-improvements, *i.e.*, in work such as the draining and the reclamation of lands.

The lower specialized schools of agriculture include 80 lower schools of gardening, 8 schools of horse-breeding, a few cattle-breeding schools, 3 schools of swine-culture, 6 schools of bird-culture, a few bee-culture, pisciculture and sea-fishery schools, 12 dairy schools (to train milk-men and 'milk-officers'), etc. Besides, there are special schools to teach various agricultural industries such as the manufacture of alcohol, sugar, etc., and also to teach milling and baking. The sugar schools train up sugar chemists and sugar engineers. The milling and baking schools are meant for (i) workingmen in milling and baking shops, (ii) teachers of vocational schools requiring training in milling and baking, and (iii) officers of customs-houses. The 60 horse-shoeing schools (none can practise horse-shoeing in Germany without a proper certificate of competency), the schools for office-bearers and accountants (to take charge of agricultural institutions and organisations), the schools of agricultural co-operation (to train men to properly discharge the executive duties in connection with the running of agricultural co-operative societies) and the forestry schools,—are also classed under the lower specialised agricultural schools.

Women in Germany can join the ordinary schools of commerce, industry and agriculture on equal terms with men. There are also special professional schools for women.<sup>5</sup>

### France

Higher professional education in France is imparted in the following institutions: (1) *Conservatoire des Arts et Metiers*, Paris; (2) *Ecole Centrale des Arts et Manufacture*, Paris; (3) *Ecole des hautes etudes commerciales*, Paris; (4) 15 higher schools of commerce with 3,161 scholars (1924); (5) *Ecole Polytechnique*; (6) 4 *Ecoles des Mines* (Paris, St. Stienne, Alais,

5 An idea of these special schools has been given in connection with the discussion of the Economic Independence of Modern Women, *Supra*, pp. 89-90. Further details, which are intensely interesting, may be looked up in Ch. 19 of *Economic Development*.

Duai); (7) *Ecole des Ponts et Chaussées*, Paris; (8) *Ecoles des Beaux-Arts*; (9) Naval Schools; (10) Military School.<sup>6</sup>

Higher professional education is also imparted in the science-faculties of the Universities. Most of the Universities at Aix, Besancon, Clermont-Ferrand, Lille, Lyon, Montpellier, Nancy, Poitiers, Toulouse, Paris, Marseilles, Rennes, Bordeaux, Dijon, Grenoble, etc. offer technical courses in one or more of the following technical subjects: electricity, chemistry, oecology, entomology, agriculture, viticulture, brewery, dairy-farming, geology, aerotechnology, tannery, agricultural chemistry, watch-making, paper-making, etc. Of the numerous Universities 3 alone (those at Grenoble, Nancy and Toulouse) possess very big technical departments. In 1911 the latter three granted 306 diplomas in technical subjects, while all the others put together issued only 69.<sup>7</sup>

Of the total number of 2,000 engineers usually turned out every year in France, only about 400 come out of the Universities. The rest come from specialised technical and engineering colleges. In addition to the 2,000 already mentioned 400 engineers on an average come out every year as a result of practical experience in factories and workshops. "Technical education in France therefore is primarily a function of extra-University educational institutions."

Intermediate Technical Education in France is imparted in the following institutions:

1. Six 'national' (i.e., paid for by the Central Government) engineering colleges at Paris, Aix, Angers-on-the-Loire, Chalons-on-the-Marne, Lille, and Cheny. The training given is of a character intended to turn out directing heads of factories, engineers and industrialists connected with mechanical workshops etc. The course is for 3 years. Students seeking admission must be between 16 and 19, must show secondary school final certificate and must have practical industrial experience.

6 *Comparative Pedagogics*, p. 6.

7 *Economic Development*, pp. 2-3.

2. Five Free Professional Schools.<sup>8</sup> These also are run by the Central Government. No fees are charged. The course is for 4 years. Students are between 12 and 15. These schools are but lower schools of engineering and they prepare students for the higher engineering colleges. The number of scholars in 1926 was 2,536.

3. Eighty-two Free Schools of Commerce and Industry. Sixty-five are for boys and seventeen for girls. The total number of scholars in 1925 was 42,409.

The object of these schools is to turn out qualified apprentices. They admit permanent as well as external students. The external students are those who work in neighbouring factories. The course is for 3 years. Students are between 12 and 15. The first two years are given to primary school subjects. Professional subjects are taught in the third year. The subjects taught vary according to the character of the local industries. The various subjects taught make an imposing list and we give them here: mechanics, designing, descriptive geometry; electricity; geography; accounting, the study of goods, watch and clock-making; printing and typography; weaving; hotel-running; ceramics; timber-work; lithography; marine engineering; boiler work; industrial chemistry; 'fitting'; cabinet-making; Colonial economics; locksmith's trade; founding; gunsmith's work; industrial electricity; modelling; sculpture in wood; spinning, bleaching and dyeing; lace-making; cutlery; gloves-making; spectacles manufacturing; manufacture of combs, celluloid articles, shoes, etc.; drapery; lead-work; zinc-plating, etc.

4. For agricultural education there are various types of institutions. First of all are the three big agricultural colleges (at Grignon, Montpellier and Rennes) run by the Central Government. The teaching imparted enables students to become either actual farmers or teachers of agriculture. Actual cultivation as well as the supervision of the farms is taught. No Government post is guaranteed to the passed scholars. Students seeking

<sup>8</sup> The number given in *Comparative Pedagogics* (p. 7) is 56.

admission must be at least 17. In two of the colleges the course is for  $2\frac{1}{2}$  years; in the third it is for 2 years. The students passed are known as agricultural engineers.

Then there are the 26 agricultural schools, all run by the Central Government, and the 7 schools to teach special subjects such as horticulture, dairy-farming, wine-manufacturing, etc. Moreover, there are 65 winter schools. Of these 30 are peripatetic and 35 'fixed'. There are again 48 institutions combining tuition in both housekeeping and agriculture. Of these 46 are peripatetic and 2 'fixed'.

There is a special women's school for agriculture. The course is for one year and the students admitted must not be under 16. The school has a special department for the training of teachers. The trained teachers are fit to be instructors in the housekeeping-cum-agricultural institutions. Teachers under training are maintained by the Government.

5. Three veterinary colleges. Students seeking admission must be at least 17 and must be either secondary school-passed or agricultural engineers. The course is for 4 years.<sup>9</sup>

Lower professional education in France is imparted in the following institutions :

	Scholars
35 Schools of Industries . . . . .	5,550
13 Municipal Professional Schools in Paris . . . . .	1,385
370 Private Schools . . . . .	92,000

The total number of scholars in the lower Professional Schools is 98,935.

Having described the various types of technical institutions in France we would wind up our treatment of vocational education in that country with a few general remarks.<sup>10</sup>

1. Vocational education in France is generally a state affair. The expenses are borne and the institutions are administered

<sup>9</sup> On the commercial, agricultural, technical and veterinary colleges of France see Chaps. 1 and 2 of *Economic Development*.

<sup>10</sup> *Ibid.*, Ch. 3.

mostly by the state. Some institutions are run by the local bodies and the chambers of commerce. Considerable mutual assistance is rendered as between the Government schools and the 'Communal' schools (*i.e.*, those run by the 'Communes').

2. Strict Government control is exercised over private institutions. Advisory Boards (consisting of the most prominent among local merchants, industrialists, bankers, etc.) are associated with the educational institutions in order to keep the latter 'in daily contact with the currents of active commercial life'. Honorary non-official visitors, nominated or elected because of the part they play in agriculture, industry or commerce, supplement the work of Government Inspectors of Schools.

3. Technical education in France was reorganised after the War. An Act (*the loi Astier*) was passed in 1919 to effect that reorganisation. Under that law every person below 18 is compelled to undergo some sort or other of technical education. The education is imparted free of cost. Factories are compelled to extend proper facilities to their workmen to enable them to prosecute their studies. Factory-owners may start their own schools.

### *Great Britain*

Sarkar's impressions about technical education in Great Britain (first visited in 1914) are given below.<sup>11</sup>

1. Technical education is not imparted in the old institutions like the Oxford and Cambridge Universities. Some of the biggest centres of technical education in Great Britain visited by Sarkar are the Royal Technical College at Glasgow, the Heriott Watt College at Edinburgh, the technical departments of the Leeds and Glasgow Universities, etc. The Glasgow College teaches about 6000 students, the subjects taught being boat-building, ship-building, mining, engineering, printing, electrical and mechanical engineering, chemistry, etc. The technical

11 Vide *Vartaman Jagat*, Vol. II, pp. 335, 431-436, 452-456, 458, 485-489, 504; 518-521, 532-536, 579, 581.



department of the University at Glasgow does not teach as many subjects as the Technical College. The teaching in the University is also more theoretical than practical. The Technical College is not in any way connected with the Glasgow University. Leading industrialists and merchants participate in the management of the former. That is beneficial in three ways : (a) the College can be made to promptly adapt itself to the latest contemporary changes in the economic and industrial world ; (b) the students are easily provided for ; and (c) the business leaders can get their hands manufactured according to their needs and likings.

There are three other technical colleges in Scotland,—in Edinburgh, Aberdeen and Dundee. The Edinburgh College (known as the Heriott Watt College) is the biggest of the three. It had about 2500 students on its rolls when it was visited by Sarkar. Of those students only 250 used to attend during the day, and the rest would earn their bread during the day and attend the College at night.

The Leeds University is another great institution of technical education. It specialises in the teaching of weaving, tanning and chemistry. The standard of teaching is spoken of as of a very high order. Sarkar thinks that in this University there is much greater intimacy and co-operation between professors and the public than in conservative institutions like the Oxford and Cambridge Universities.

In a Grammar school in Leeds he found even students of tender age (12, 13 or 14) manufacturing toy machines and tools. This habit is extolled as developing engineering aptitudes from early boyhood. Previously language, literature and mathematics alone used to be taught in that school. At the time of his visit the school had adapted itself to the new orientations in the economic world and had begun to impart scientific and technical education as well.

2. Scotland is divided into three agricultural zones with centres at Glasgow, Edinburgh and Aberdeen. In each of these centres is a well-equipped Government Agricultural College. Professors of these Colleges carry on experiments in the lands

attached to the Colleges and they also hold demonstrations in the numerous experimental farms scattered throughout Scotland.

Agriculture is also taught in the Edinburgh University. A certain measure of co-operation prevails between the Government Agricultural College in Edinburgh and the Agricultural Department of the University. Each allows the students and teachers of the other to use its laboratories.

The Oxford and Cambridge Universities, and some schools also, offer courses in agriculture. The arrangements for agricultural education in the Cambridge University are very elaborate. The University has big laboratories, both within and outside the town, for the carrying on the researches in animal breeding and diseases of animals, and also in cultivation proper, dairy-farming, etc. The research scholars are helped with Government and University stipends. The results of the researches are communicated free to the cultivators. Sometimes large numbers of peasants are assembled from all over England in order to instruct them in the latest developments in the science and art of agriculture. The carrying on of researches by the University is justified on the ground that the cultivators, who are anxious for the maintenance of themselves and their families, are not in a position to apply themselves to research-work with uninterrupted and unstinted devotion.

3. Museums and laboratories of various types are attached to most of the educational institutions in Great Britain. All of them may not be big or richly equipped, but they serve the purposes of imparting instruction and acting as aids to experimentation quite well.

4. Owing to the very big and numerous donations and endowments made by rich Scotsmen and the enormous expenditure by the Government, both higher and lower education (whether literary or technical) has been very much facilitated in Scotland. And, in the whole of Scotland, Edinburgh occupies a position of unique pre-eminence in respect of education. Sarkar doubts whether he would find better facilities for education in any other town in the world than in Edinburgh.

We would now present some statistics about technical education in Great Britain,<sup>12</sup> as follows :

In England and Wales :			Scholars.
44 Larger Technical Institutes (advanced)	...		4,074
95 Day Technical Institutes (full-time)	...		9,223
(part-time)	...		3,691
Total			16,988
Besides, there are other technical schools in England and Wales :			
4,147 Schools (part-time technical)	...	680,943	students
38 Day Continuation Schools	...	...	..
89 Junior Technical Schools	...	11,954	..
6 Nautical Schools	...	...	..
174 Schools of Art	...	47,663	..
110 Normal Schools	...	16,881	..
Total			774,429 students

Sarkar doubts whether the second category can at all be described as 'higher'.

In Scotland			
Central Institutions	...	Day Scholars	6,975
		Other	11,925
946 Continuation Classes	...		123,780
Total			142,680

The preponderance of part-time technical schools in England and of continuation classes in Scotland deserves to be specially noted.

### U. S. A.

He makes the following observations<sup>13</sup> about facilities for vocational education in the U.S.A. :

1. The principal aim of the educational system seems to be to make the students practical and to fit them to earn their livelihood.

2. Numerous institutions exist solely for imparting professional education.

3. Even the ordinary institutions do not altogether neglect professional education.

4. There are numerous big institutions to impart free general

<sup>12</sup> *Comparative Pedagogics*, pp. 54-55.

<sup>13</sup> *Vartaman Jugat* (Vol. on the U.S.A.), pp. 27, 41, 108, 144, and 765.

and technical education (e.g., type-writing, chemistry, engineering, architecture, etc.) to poorer classes. These institutions are run either by the Government or by social service organisations. Schools for the poor are mostly held at night.

5. Laboratories for technical and scientific education exist even in the pettiest institutions.

6. Advertisement and journalism are regarded as important subjects and elaborate arrangements exist for teaching these properly.

7. There is a girls' school in New York which teaches numerous arts and crafts (painting, embroidery, cooking, sculpture, etc.) to as many as 6000 students. The institution is the biggest of its kind in the U.S.A.—and probably in the whole world.

8. Special summer classes are held in the Columbia and the Harvard Universities to teach general and technical subjects to backward students and outsiders. Five or six thousand students attend in the summer classes of the former University and about 600 in those of the latter. Most of those attending in the summer classes of the latter are unmarried women, the majority of them being teachers. The educational expenses of the teachers are paid for by the schools from which they come.

The figures relating to vocational institutions in the U.S.A. in 1924<sup>14</sup> are given below :

			Schools.	Scholars.
Normal Public	...	...	312	229,997
Normal Private	...	...	70	15,652
Theology	...	...	165	12,358
Law ...	...	...	124	35,732
Medicine	...	...	80	18,900
Dentistry	...	...	43	12,947
Pharmacy	...	...	63	9,951
Veterinary	...	...	12	511
Osteopathy	...	...	6	1,117
Private Commercial	...	...	739	186,368
Agriculture	...	...	68	189,168
Total			1,682	712,701

14 *Comparative Pedagogics*, p. 43.

The total expenditure (Federal, State and Local) on vocational education in the U.S.A. in 1926 was \$23,179,639. Out of this \$7,184,901 was contributed by the Federal Government. Of this sum again \$3,031,987 was contributed for agricultural training, \$3,056,148 for industrial training (including home economics and general continuation education) and \$1,096,765 for teachers' training.

### *Japan*

Sarkar visited Japan during 1915-1916. The important vocational institutions visited by him in Japan are the following : the Imperial University in Tokyo, the Higher Technical School in Tokyo, and the Agricultural University in Sapporo.

The prominent features of vocational education in Japan as noted by him are the following :<sup>15</sup>

1. Technical education in Japan is very wide-spread. Every university and college has arrangements for technical education. Besides, there, are numerous schools set up with the sole purpose of imparting technical education.

2. Japanese education owes more to Governmental than to private initiative. Private donations in the cause of education are negligible.

3. Young boys are taught to manufacture small machines and tools. Sarkar saw a large stock of electrical machines in the Technical School in Tokyo, which had been manufactured by little boys.

4. The Japanese, engaged in the various higher professions (medical, commercial, legal or technical), earn high incomes. But the professors, even with the highest academic attainments, are satisfied with low salaries. Most of the hundred professors in the Higher Technical School at Tokyo do not get wages higher than Rs. 75 or Rs. 100 only, a few up to Rs. 400 or Rs. 500, and none higher than that.

5. The Japanese professors are generally familiar with English, German and French. But they prefer to deliver their

<sup>15</sup> *Vartaman Jagat*, Vol. on Japan, pp. 47-48, 181-184, 289-294.

class lectures in Japanese. Students are encouraged to learn these foreign languages. Most of the best scientific and technical works in the world have been already translated in Japanese.

6. The best of the Japanese professors are in constant intellectual touch with the latest developments of their respective subjects in Eur-America.

7. The Japanese do not spend recklessly in buildings and equipment. The Higher Technical School in Tokyo—a Government institution imparting training to as many as 1000 students, and teaching various subjects such as dyeing, weaving, electrical engineering, chemistry, porcelain-manufacture, architecture, etc.—was started with the initial outlay of only Rs. 15 lakhs.

8. The help of foreign experts was very much availed of at the outset. But at present most of the professors are Japanese. Just a few are foreigners. Even they have been imported to serve for definite terms, say, 2 or 3 years.

9. Physical exercise, economics, factory sanitation, etc., *i.e.*, subjects other than those that are strictly necessary in a technical institution, are taught in the Technical School in Tokyo.

The importance of technical education for bringing about the economic development of a backward country is best illustrated in the case of the Island of Hokkaido in Japan. This island was a barren and uninhabited region in the sixties and seventies of the last century, when the modernization of Japan was decided upon by the Japanese Emperor. The Governor who was sent to carry on the administration in that island temporarily went over to the U.S.A. in order to learn the art of colonization from the Americans who were at that time spreading out in the Middle West and the Far West of the U.S.A. While returning from the U.S.A. he brought with him a large number of foreign experts in various branches—the experts belonging to various nationalities. On coming over to Hokkaido these experts started a school to impart training in mining, agriculture, house-building, animal-breeding, etc. By the time Sarkar visited Japan this school had grown into a huge university with as many as 900 students on its rolls and with many Japanese professors who had attained international

reputation. It is the establishment of that school that has helped the exploitation of the agricultural and mineral resources of Hokkaido.

The number of technical institutions in Japan and of the students pursuing their studies therein, will appear from the following figures.<sup>16</sup>

### I. Higher Vocational Institutions :

A. "Government Special Technical Schools" (students admitted after the secondary stage) :

	Institutions.	Scholars.
Agricultural	7	1,493
Commercial	7	3,342
Technical	15	4,836
Nautical	1	267
Total	30	9,938

B. "Special schools" (students admitted after the secondary stage)

Medicine and Pharmacy	4	1,554
Foreign languages	2	1,462
Fine Arts	1	670
Music	1	788
Other special schools	71	34,484
Total ...	79	38,958

Sarkar doubts whether these "special schools" have the same academic standing as the 30 Government Special Technical Schools.

II. Intermediate Vocational Institutions (students admitted after the elementary stage) :

	Institutions.	Scholars.
Technical ... ..	100	21,295
Agricultural ... ..	326	51,050
Fisheries ... ..	12	1,129
Commercial ... ..	191	75,840
Nautical Schools of secondary grade	11	2,611
Industrial ... ..	78	15,606
Total	718	167,531

<sup>16</sup> *Comparative Pedagogics*, pp. 11-13.

## III. Continuation Technical Schools :

	Institutions.	Scholars.
Technical ...	120	8,236
Agricultural ...	11,506	56,084 (164,421 women)
Fisheries ...	192	7,695
Commercial ...	420	28,750
Nautical ...	2	191
Other continuation	2,635	159,311
Total	14,875	260,207

Students are admitted in the schools after they have completed the elementary stage. The schools are intended for those who are already in service.

*Italy*

We would now give the figures relating to professional education in Italy.<sup>17</sup>

## I. Higher Professional Institutions :

	Institutions.	Scholars.
Commerce ...	9	4,252
Agriculture ...	5	759
Engineering ...	8	5,809
Naval ...	2	516
Forestry ...	1	30
Total	25	11,366

## II. Other Higher Professional Institutions :

	Institutions.	Scholars.
Social Science ...	1	227
Oriental Languages ...	1	119
Veterinary ...	6	731
Women's Training College ...	6	907
Architecture ...	1	109
Industrial Chemistry ...	1	148
Economics and Commerce ...	1	117
Obstetrics ...	1	19
Total	18	2,377

<sup>17</sup> *Comparative Pedagogics*, pp. 17-18.



### III. Secondary Professional Institutions :

	Institutions.						Scholars.	
	Technical.		Nautical.		Normal.			
Government ...	111	+	17	+	91	=	219	61,560
Private ...	250	+	3	+	139	=	392	20,433
							<u>611</u>	<u>81,993</u>

### U.S.S.R.

The figures relating to professional education in the U.S.S.R. are as follows :<sup>18</sup>

#### I. Higher Professional Institutions :

	Institutions.		Institutions.		Scholars.
	in 1924.		in 1924.		in 1924.
Medicine ...	...	24	...	2	26,078
Pedagogics ...	...	27	...	3	24,490
Agriculture ...	...	43	...	14	20,877
Technique ...	...	27	...	13	43,956
Industry and Economics ...	...	9	...	...	10,497
Music and Fine Arts ...	...	20	...	4	9,978
Total ...	...	<u>150</u>	...	<u>36</u>	<u>135,876</u>

#### II. Intermediate Professional Institutions :

	Institutions.			Scholars.
Medicine ...	...	...	66	11,064
Pedagogics ...	...	...	273	45,895
Agriculture ...	...	...	152	17,707
Technique and Transport ...	...	...	219	42,460
Industry and Economy ...	...	...	53	10,767
Arts and Music ...	...	...	92	19,664
Total ...	...	...	<u>855</u>	<u>147,557</u>

#### III. Lower Professional Institutions :

	Institutions.			Scholars.
Professional Schools ...	...	...	1,408	115,375
Apprentice Schools ...	...	...	719	54,790
Short Courses ...	...	...	595	41,473
Short Courses for Teachers ...	...	...	265	25,215
Music ...	...	...	114	14,466
Studies ...	...	...	85	3,753
Total ...	...	...	<u>3,186</u>	<u>255,072</u>

<sup>18</sup> *Comparative Pedagogics*, pp. 33-35.

The educational activities of the Vienna Chamber of Commerce show how great a part a Chamber of Commerce can play in the dissemination of vocational education. See Ch. 37 of *Economic Development* describing the educational activities of that Chamber of Commerce.

### *Comparative Educational Statistics*

We have till now confined our attention to what is called 'vocational' education in the narrow and popular sense of the term. But in the wider and more logical sense, every sort of education is more or less 'vocational.' As Sarkar remarks: "The training for priestcraft, medicine, law, politics, army, navy, theatre, school-teaching and so forth is no less a vocational or professional training than is that of the girl who seeks career as a maid-servant or the boy who wishes to start his life at the lowest rung in a coal mine. And of course, the education that enables a man to be the head of a bank or the director of a chemical factory or the founder of an electrical engineering workshop is equally vocational or professional. Logically speaking, then, every school or college that exists anywhere on earth is a vocational or professional institution."<sup>19</sup> From this standpoint, then, it would be interesting to enquire into the positions of the seven great countries with which we have been dealing, not only as regards professional education in the narrower sense, but also as regards general education, *i.e.*, professional education in the wider sense. The answer would be provided by the following figures:

	Population.	Primary students.	Secondary students.	University students.	Professional and technical students.
Germany	63,118,782 (1925)	8,930,070 (1922)	751,442 (1922)	73,249 <sup>20</sup> (1925)	806,114 (1925)
France	40,743,851 (1926)	3,899,228 (1924-25)	174,489 (19 4-25)	52,967 (1925)	...
Great Britain	43,713,032 (1925)	6,237,468 <sup>21</sup> (1924)	601,502 (1924)	54,210 (1926-27)	917,109
Japan	59,736,822 (1925)	9,020,619 (1922-23)	437,887 (1922-23)	35,163 (1922-23)	980,684 (1922-23)
U. S. A.	115,378,000 (1925)	22,372,075 (1924)	3,705,855 (1924)	664,266 (1924)	712,701 (1924)
Italy	40,548,683 (1926)	3,930,367 (1923)	158,055 (1922-23)	30,512 (1924-25)	75,736 (1924)
U. S. S. R.	139,753,900 (1925)	7,515,301 (1924)	719,296 (1924)	69,899 (1924)	538,505 (1924)

19 *Economic Development*, pp. 212-13.

20 These include 12,370 external students.

21 Of the 200,000 teachers in Elementary Schools, three-fourths are women.

The figures given above do not include the kindergartens in France, Japan, Italy and Germany, the schools for the physically and mentally defectives in Russia<sup>22</sup> (835 institutions with 350,000 scholars) and in Great Britain (627 institutions with 55,407 scholars) and also the workingmen's faculties (109 institutions with 45,702 students), the Institutions of Political Education (55,286 in number; these include libraries, reading rooms, clubs, museums, etc.), and also 14,881 Liquidation Centres for Illiteracy with 530,921 scholars in Russia.

If we compare the percentage of the population claimed by the primary, the secondary, the university and the professional students in each of the seven countries under consideration, we shall find out the respective positions of those countries in comparison with one another.

The percentages have been worked out at pp. 96-97 of Sarkar's *Comparative Pedagogics*. By comparing these percentages we find that

I. As regards primary education the positions would be : 1. U.S.A. (19·3%). 2. Japan (16·7%). 3. Great Britain (14·3%). 4. Germany (14·1%). 5. Italy (9·67%). 6. France (9·5%). 7. Soviet Russia (5·3%).

II. As regards secondary education : 1. U.S.A. (3·2%). 2. Great Britain (1·3%). 3. Germany (1·1%). 4. Japan (·7%). 5. Soviet Russia (·5%). 6. France (·4%). 7. Italy (·35%).

III. As regards university education : 1. U.S.A. (·57%). 2. France (·13%). 3. Great Britain (·12%). 4. Germany (·11%). 5. Italy (·075%). 6. Japan (·058%). 7. Soviet Russia (·05%).

IV. And as regards professional education : 1. Great Britain (2%). 2. Japan (1·6%). 3. Germany (1·2%). 4. U.S.A. (·61%). 5. Soviet Russia (·38%). The percentages for France and Italy are not given.

### *Educational Finance*

The educational development of a country, which is itself the

<sup>22</sup> This figure also includes the schools for the morally defectives.

foundation for its economic progress, depends financially speaking, on two factors :

First, the wealth of the country. "As long as a country is poor its educational institutions cannot prosper".

Secondly, the percentage of public expenditure devoted to education. "Private contributions and endowments from the people are no doubt to be zealously solicited. But in any case they *would never suffice* to cope with the requirements. *Nowhere* do the educational institutions depend *exclusively or even mainly* on the donations and subscriptions of patriotic citizens."<sup>23</sup>

From the standpoint of educational finance the following figures quoted from p. 97 of *Comparative Pedagogics*, would be found useful and instructive :

The percentage of public expenditure per year spent on education.			Public educational expenditure per head of total population per year.			Income per head of popu- lation per year.
			Rs.	A.	P.	Rs.
Germany	...	...	17	9	0	344
France	...	5%	5	5	3	538
Great Britain	...	5.4%	17	5	4	638
Japan	...	9.6%	2	4	3	107
U. S. A.	...	...	29	6	4	845
Italy	...	7.6%	4	0	0	255
U. S. S. R.	...	3.8%	0	12	9	126

In France educational expenses "constitute the highest single item after finance, military and naval." In Japan educational expenditure is the highest item after finance, communications, army and navy. In Italy it comes immediately after finance and war. In Great Britain educational expenditure is more than that on the army and comes immediately after the expenditures on the civil services, the post office and the navy.<sup>24</sup>

<sup>23</sup> *Comparative Pedagogics*, p. 105.

<sup>24</sup> *Comparative Pedagogics*, pp. 7, 13, 18 and 56.

## Chapter VI

### Sarkar on Economic Development of India

#### I. 'Economic Development'—Its Meaning, Aim and Trend

The economic development of India, according to Sarkar, means the industrialisation and commercialisation of the country.<sup>1</sup> And industrialisation is interpreted in a comprehensive manner so as to include the introduction and promotion of modern scientific agriculture.<sup>2</sup> Hence, economic development is made to mean the development of India's industries, agriculture and commerce.

The aim of the economic development is to be the promotion of 'national welfare.' What is 'national welfare?' Sarkar's idea of national welfare would appear from the following sentence—"one could understand it (national welfare) as soon as one began to measure the number of men and women in a country who were getting square meals and decent clothing and living a sound healthy life."<sup>3</sup>

It should be noted in this connection that, so far as economic questions are concerned, he does not believe in an abstract entity called a nation. A nation consists of different classes and professions and a measure intended to benefit one may be harmful to another. Hence, according to him, the aim of economic statesmanship is to try for measures which would serve the interest of the greatest number of individuals in the various classes and professions.<sup>4</sup> "Such a thing as 'country's welfare' or 'national good' hardly exists in the mentality of the inhabitants. The interests are diverse, multiform and heterogeneous. . . . Every economic legislation has to undergo modifications in order to meet the requirements of hundreds of different interests. On each

1 Article on "The Earnings and Social Values of Clerical Labour," *Journal of the Bengal National Chamber of Commerce*, June, 1928, p. 156.

2 *Greetings to Young India*, p. 74.

3 *Ibid.*, p. 93.

4 *Ibid.*, pp. 59-62.

occasion the problem is to organize a system that is likely to be the least harmful to the greatest number of interests."<sup>5</sup>

What should be the lines of India's economic evolution? Sarkar thinks that India has no new path to tread on, her evolution will be along the lines laid down by the advanced countries. This idea occupies a prominent place in his ideology and has been reduced into the following formula: "Whatever has happened in the economic sphere in Eur-America during the last half-century is bound also to happen more or less on similar and even identical lines in Asia, and of course in India, during the next generation or so."<sup>6</sup> It should be noticed then that, according to him, India has no choice in the matter, her economic evolution is bound, as a matter of course, to be on the lines chalked out by the advanced countries.

The questions may be raised,—has India nothing original to contribute? Why should her evolution be on the lines of the West? His reply to the first question is that India's opportunity for making original contribution, if any, in the sphere of the economic achievements of mankind, would come when India has fully absorbed and assimilated the best of the economic teachings and achievements of modern Eur-America.<sup>7</sup> The reply to the second question will be found in Sarkar's interpretation of the relation between Oriental and Occidental civilizations.

## II. *Sarkar's Theory about East and West*

Eminent scholars too numerous to mention, of both the East and the West, have held to the idea that the East and the West (*i.e.*, Asia and Europe) represent two different types of culture, the East being spiritual and the West materialistic. On the basis of this idea it is urged either that the East has an innate superiority over the West or that the West has that superiority over the East.

5 *Ibid.*, p. 61.

6 *Economic Development* (1926), preface, p. IX; *Applied Economics* Vol. I. (1932), preface, p. VIII.

7 Interview on 'The economic development and *Arthasastra* of New Bengal,' *Arthik Unnati* for Sept. 1929, p. 437.

Till 1914 Sarkar used to subscribe to this traditional idea about the relations between the two civilizations. He used to think that Asians, especially the Hindus, are spiritually superior to the moderns. Even then, however, he used to lay stress on the materialistic, secular, constructive and activistic elements in Hindu civilization.<sup>8</sup>

Since the year 1914, however, his ideas have gradually undergone a total transformation. At present he does not believe in any division of human civilization into the Oriental and the Occidental. According to him, the foundations and the ideals of both the civilizations are equally spiritual and materialistic. The East and the West are in his opinion thoroughly identical in spirit and outlook on life.<sup>9</sup> The Eur-Americans are as essentially human as the Asians.<sup>10</sup>

The grounds on which Sarkar bases the above idea have been elaborately discussed throughout most of his works and cannot possibly be fully presented in the course of the present section. We would remain content with briefly touching upon the nature of the arguments advanced in support of the above-mentioned theory.

The arguments are mainly of the following character:—

1. That the Occidental civilization is not exclusively a materialistic civilization. It has spiritual elements not less important than those in the Oriental. "There have been in Europe also mystics or 'seers' of the Infinite as many and as great as in Asia, from the earliest times till to-day. The very first speculations of Hellas were embodied in the teachings of Pythagoras. He believed in the transmigration of the soul and preached the esoteric doctrine of numbers. He was a vegetarian and believed in general abstinence and ascetic mortification of the flesh. Plato's idealism also was mystical as much as the monism of the contemporary *Upanishadists of India and Taoists of China*."<sup>11</sup> . . . "Who

8 This attitude is typified in *Vartaman Jagat*, Vol. II, (on Great Britain); Dutt: "Fundamental Problems and Leading Ideas in the Works of Prof. B. K. S." (*B. N. R. Employees Journal*, Calcutta, Sept. 1932).

9 *Greetings to Young India*, p. 2.

10 *Ibid.*, p. 43.

11 *The Futurism of Young Asia* (Berlin 1922), p. 277.

has been a greater occultist than Jesus? His message was: 'My kingdom is not of this world.' His other-worldliness and pessimism are undeniable. Indeed, the greatest passivist and submissionist among the world's teachers has been this Syrian Saviour of Europe and America."<sup>12</sup> "Plotinus (third century A.C.) the greatest neo-Platonist was a mystical pantheist. He actually practised Yogic exercises by which he hoped to attain union with the 'ultimate principle', the highest God of all. The monasticism, celibacy, nunnery, and notions about 'the world, the flesh and the Devil', the 'seven deadly sins', etc., of Christianity have been practically universal in the Western world. They have had too long a sway to be explained away as accidental or adventitious or imported or unassimilated over-growths. Spiritualistic self-realisation was the creed of many a transcendentalist denomination in Europe during the Middle Ages. To the English Puritans, even music and sports were taboo. The painters of the Romantic Movement in Germany, e.g., Cornelius, Overbeck and others fought shy of women and preached that all artists should be monks. The race of Jacopyne da Todis, Rosicrucians, Ruysbroecks, and Boehmes is not yet a thing of the past in Eur-America. And now that the philosopher of the *elan vital* has enunciated his doctrine of intuition, mysticism is going to have a fresh lease of life."<sup>13</sup>

2. That the civilization of Asia is not exclusively a spiritual civilization but is as materialistic, militaristic and secular as that of Europe. This point has been sought to be established with the instances of the materialistic achievements of the Hindus, the Chinese and the Japanese. We might here discuss the case of Hindu civilization, in particular. Chap. IV of the *Futurism of Young Asia* contains innumerable examples showing the genius of the Hindus for martial exploits, naval organisation and colonizing adventure, their capacity for capturing the markets of the world by the promotion of industry and commerce, and also their capacity to conduct public affairs in a corporate and organized manner. "From the age of Chandragupta Maurya (fourth

12 *Ibid.*, pp. 277.

13 *Ibid.*, p. 278.



century B.C.), the first Hindu emperor of a united India, down to the epoch of Baji Rao, the great Maratha Statesman-General of the nineteenth century, the Hindus had exhibited their genius in industries and commerce, martial and naval exploits, construction and management of forts, maritime and colonizing enterprise, administration of civic and other public interests, as well as the overthrow of the country's enemies."<sup>14</sup> "The evidence of India's achievements in secular endeavour had been furnished by the Europeans themselves. Portuguese, French, Italian, and English tourists and traders came to India during the sixteenth, seventeenth and eighteenth centuries. What influence did the country and its people have upon these visitors? They whole-heartedly admired the municipal arrangements, the general health and economic prosperity of the people in town and country, as also the vast river-traffic and the excellent roads and canals. The city of Murshidabad was brighter and more sanitary than the London of those days, according to Clive. Baltazar Solovyus, the French observer, wrote even so late as 1811 that the Indian sea-going vessels were more durable and elegant than those of the English and the French."<sup>15</sup>

3. That, prior to the industrial revolution, conditions of life in India, China or Japan were not fundamentally different from those of old Eur-America. "By the rigid test of measurable positive phenomena it appears to me that in classical times or in the middle ages down to the industrial revolution the relations between landlords and tenants, the laws of property in regard to the women and the serfs, the social morphology of the village, and the industrial organisation of the guilds were governed in the main on similar and almost identical lines both in the East and the West."<sup>16</sup>

4. That the introduction of the elements of modern economic life such as factories, mills, railways, etc., in India, China, Japan or anywhere else in Asia is creating the same problems and

14 *Ibid.*, p. 165.

15 *Ibid.*, p. 166.

16 *Greetings to Young India*, p. 69.

conditions as have already appeared in the West and that these are being tackled in the same manner in which they have been and are being solved in Eur-America. "During the nineteenth and twentieth centuries, whenever and wherever in Japan, China, India, or Turkey a modern workshop has been established—no matter whether under foreign or indigenous initiative, the same modernism in labour conditions, business organisation, economic legislation and social welfare movements—as well as in the so-called philosophical attitudes or outlook on life and the universe has manifested itself in these countries as in the West."<sup>17</sup>

5. That there is no fundamental distinction even in the folk-psychology of the Orient and the Occident. "Even the folk-customs, folk-superstitions, and folk-beliefs of the different parts of the world bear on them the marks of a common mentality. The popular May festivals of Europe and the Spring celebrations all over India are born of a common need and satisfy the same hunger of the human heart. The agricultural observances, harvest rites, ceremonial songs, and rustic holidayings of the Christian are akin to those of the Hindu. The history of medicine and surgery in Europe from the earliest times exhibits innumerable superstitions of which the analogues are to be found in the Orient."<sup>18</sup>

On the above grounds Sarkar seeks to prove the falsity of the traditional divisions of human civilization into the Oriental and the Occidental—and in place thereof he seeks to establish a new division on the basis of "time", viz., that into the medieval and the modern.<sup>19</sup> Modern civilization, according to him, is more or less industrial and is but the consequence of the industrial revolution of the eighteenth century.<sup>20</sup> The East has not been able to keep pace with the West in respect of this phase of culture,<sup>21</sup> that is, with respect to modern materialism. Different countries of the

17 *Greetings to Young India*, p. 69.

18 *The Futurism of Young Asia*, p. 115.

19 Article on 'The Fundamentals of the Banking Business,' *Arthik Unnati*, 1927, pp. 627 and 629.

20 *The Futurism of Young Asia*, p. 144.

21 *Greetings to Young India*, p. 101.

East are in different stages of backwardness.<sup>22</sup> India, in particular, is behind Europe by about two generations, *i.e.*, India is where Europe had been near about 1848-1870.<sup>23</sup> The problem before India is to catch up to the most advanced modern countries, *step by step*.<sup>24</sup>

The idea that the contemporary Eur-American civilization is heading towards a ruin is wholly disbelieved. It is admitted that the moderns are meeting with many serious problems. But it is stressed that the rise of those problems does not necessarily show that Europe is heading for disaster. Sarkar seeks to emphasize that the exposure of the defects of modern civilization by the Eur-Americans does not necessarily prove that civilization to be a failure and that it does not become those living on a lower plane of social, economic and political life to denounce modern civilization because of the exposure of its defects by some of the Eur-Americans themselves.<sup>25</sup>

Why should modern civilization be said to be ahead of us? Sarkar says that that claim to superiority is very well justified because of some of the achievements of modern countries which we cannot even now conceive of. Some of the achievements<sup>26</sup> instanced in this connection are:—(1) Compulsory education of young men up to 18; (2) Control over factories enjoyed by the workers, *e.g.*, in Austria; (3) the solution of the widow problem by endowing widows with pensions on the death of their husbands; (4) the recognition of working men's insurance as one of the inevitable items in the minimum of state functions; (5) the compulsory expropriation by the state of land held by the landlords in order to endow the peasants with "economic holdings"; (6)

22 Article on "Comparative Industrialism", *J.B.N.C.*, March, 1929, p. 189. "Realities in the Relations between East and West" (*Prabuddha Bharata*, Calcutta, February 1934).

23 Article on "Comparative Industrialism" *J.B.N.C.*, March, 1929, p. 139.

24 *Ibid.*, p. 144.

25 *Greetings to Young India*, pp. 25-26.

26 *Ibid.*, pp. 20-21; "Industrial Centres and Economic Institutions in Germany," *J.B.N.C.*, Sept. 1931; *Naya Banglar Goda-Puttan*, Vol. I, (1932), pp. 8-15.

the virtual capture of the states by the Socialists and the different denominations of the labour parties, etc.

India, however, is not in a state of stagnation. Her modernisation has commenced already. The modernism that has made its appearance in India till now in the social, political or economic sphere is, according to him, mainly attributable to the contact with modern Eur-American civilization mainly because of the appearance of the British in India and the spread of Western education in India.<sup>27</sup> Sarkar does not discount the influence of a patriotic appreciation of the past as a factor in the making of modern India.<sup>28</sup> But he holds that the influence of the past in the making of the India of to-day is of the same character as the influence of ancient and mediæval Europe in the making of modern Europe.<sup>29</sup> Besides, he points out that it is Western education that has made possible the discoveries which have brought to light the missed glories of India's past.<sup>30</sup>

As regards the future, Sarkar wants us to take a leaf out of the books of the Turks and the Japanese.<sup>31</sup> The Turks and the Japanese have frankly accepted the West as their *guru*. The Japanese are always on the alert to notice and to learn any advance in any line wherever made in any country of Eur-America. He advises us to give up our sneering attitude towards the achievements of the moderns and to sit at their feet in the true spirit of disciples.

It will now be evident from what has been said above as to why Sarkar thinks that India's economic evolution is bound to be on the lines of that of the advanced countries.

27 Article on "The Earnings and Social Values of Clerical Labour," *J.B.N.C.*, June, 1928, p. 147, and *Greetings to Young India*, pp. 124 and 97.

28 *Greetings to Young India*, p. 2, *Political Philosophies Since 1905*, pp.9-10, 65-66.

29 *Ibid.*

30 Article on "Comparative Industrialism," *J.B.N.C.*, March, 1929, p. 139.

31 *Greetings to Young India*, p. 97; *Naya Banglar Goda-Pattan*, Vol. 11, (1932), pp. 118-120, 428-431.

## Appendix I.

### Reactions of the World of Science to Sarkar's Theories on East and West\*

Some of these conclusions of Sarkar's on the relations between East and West have now become somewhat assimilated to general social philosophy through the writings of American authors like Gettel, Sorokin, etc., German authors like Jolly, Hillebrandt, Haushofer, Meyer and others as well as of the British author Kennedy and the Russian author Rosenberg.

The fundamental conclusions of Sarkar's *Political Institutions and Theories of the Hindus* (Leipzig, 1922) have been accepted by Gettel in *History of Political Thought* (New York, 1914), Hillebrandt in *Altindische Politik* (Jena, 1925), Meyer in the German translation of Kautilya's *Arthasastra* (Leipzig, 1928), Sorokin in *Principles of Rural-Urban Sociology* (Boston, 1929), pp. 359, 478, 480, 481, 514, and *Source Book of Sociology* (Boston, 1932) Vol. I. pp. 194, 341, Vol. II. pp. 52, 384, 541, 571-3, 595-601. Sorokin has made use likewise of Sarkar's *Sukraniti* as well as *Positive Background of Hindu Sociology* (Allahabad, 1914) in Vol. I of *Source-Book* p. 16. and *Chinese Religion Through Hindu Eyes* (Shanghai, 1916) in Vol. II. p. 383.

Sarkar's *Hindu Art: Its Humanism and Modernism* (New York, 1920) has been utilised in a Russian work by F. Rosenberg, an English translation of which by L. Bogdanov has appeared as "Indo-Persian and Modern Indian Painting" in *Islamic Culture* (Hyderabad, January 1931). In M. T. Kennedy's *Chaitanya Movement* (Calcutta, 1925), pp. 145, 254-255, the thesis of Sarkar's *Love in Hindu Literature* (Tokyo, 1916) has played a significant part. Piper in the Introduction to his *Gesetze der Weltgeschichte: Aegypten* (Leipzig, 1933) quotes with approval Sarkar's views on the identities in world-culture as set forth in *Prabuddha Bharata* (December, 1932).

The materials of Sarkar's *Folk-Element in Hindu Culture* (London, 1917) and *Hindu Achievements in Exact Science* (New York and London, 1918) have been extensively made use of in the British and American Press, e.g., the *New York Times* (March 11, 1917), the *Scotsman* (May,

\* Based on cuttings and reports collected by Messrs. Chatterjee & Co., N. M. Ray-Chowdhury & Co., New Oriental Library, and Calcutta Oriental Press of Calcutta as well as the Panini Office of Allahabad and B. G. Paul & Co., of Madras.

1917), *Gambolier* (May 1917), the *Manchester Guardian* (June 1917), the *Indiaman* (June 1917), the *Athenaeum* (June 1917), the *Glasgow Herald* (June 1917), the *New Statesman* (June 1917), the *Literary Digest* (New York, September 1917), *Notes and Queries* (London 1917), the *Asiatic Review* (London 1917), the *New Age* (October 1917), the *Irish Times* (Dublin 1917), the *Quest* (London 1918), *Current Opinion* (New York, April 1918), the *New York World* (September 22, 1918), the *Evening Post* (New York, November 1918), the *Tribune* (New York, January 1919), the *International Journal of Ethics* (Chicago, January 1919), the *American Anthropologist* (January-March 1919), the *British Medical Journal* (February 1919), *Indian Education* (London, February 1919), *Educational Review* (New York, May 1919), *Journal of the American Chemical Society* (March 1919), the *Near East* (London, September 1919), etc.

The Anglo-American press has likewise reacted favourably to Sarkar's *Political Institutions and Theories of the Hindus* (Leipzig, 1922), for instance, through the medium of journals like the *American Economic Review* (December 1922), *Journal of the Royal Asiatic Society* (London 1923), the *International Review of Missions* (London 1923), the *Freeman* (New York, 1923), *American Political Science Review* (1923), *Social Forces* (New York, September 1929).

Equally responsive have been the French journals, for instance, *Isis* (Brussels, January 1920), *Revue Generale des Sciences* (Paris, March, 1920), *La Nature* (Paris, January 1920), *Debats* (Paris, 1921), *L'Amour de L'Art* (Paris, 1921), *La Renaissance* (Paris, 1921), *Revue de Synthèse Historique* (Paris, 1921, 1930), *L'Europe Nouvelle* (Paris, August 1922), *Seances et Travaux de l'Academie des Sciences Morales et Politiques* (Paris, August 1922).

The Italian journals like *Scientia* (Milan) and *Giornale degli Economisti e Rivista di Statistica* (Rome, 1923), have likewise taken cognisance of the new standpoint represented by Sarkar.

The ideas of Sarkar's *Futurism of Young Asia*, *Political Institutions and Theories of the Hindus* and *Lebensanschauung des Inders*, all published in Leipzig, during 1922-23, have been elaborately discussed in the following among other journals of Germany and Austria :—

*Die Deutsche Nation* (Berlin, October 1922), *Asia Major* (Leipzig, 1922), *Frankfurter Zeitung* (1922), *Soziale Revue* (Munich, December 1922), *Neue Orient* (Berlin, 1922), *Deutsche Allgemeine Zeitung* (Berlin, March 1922), *Deutsche Rundschau* (Berlin, April 1922), *Archiv für das Studium der neueren Sprachen und Literaturen* (Berlin, 1922), *Süddeutsche Monatshefte* (Munich, 1922), *Petermann's Geographische Mitteilungen* (1922), *Orientalische Literatur Zeitung* (Leipzig, 1923), *Sozialwissenschaftliches Literaturblatt* (Berlin, May 1923), *Weltwirtschaftliches Archiv*

(Jena, 1923), *Tageblatt* (Berlin, February 1923), *Technik und Wirtschaft* (Berlin, 1923), *Geopolitik* (Berlin, 1922-23), *Central European Review* (Vienna, February 1924).

From 1917 to 1924 Sarkar's contributions were published in *School and Society* (New York, 1917), the *International Journal of Ethics* (Chicago, 1918, 1920), the *Journal of Race Development* (Clark University, 1918), the *American Political Science Review* (1918, 1919), the *Political Science Quarterly* (1918, 1919, 1921), the *Scientific Monthly* (New York, 1919), the *Journal of International Relations* (Clark University, 1919, 1921), *Open Court* (Chicago, 1919), *Giornale degli Economisti e Rivista di Statistica* (Rome, 1920), the *Nation* (New York, 1920), the *Freeman* (New York, 1920), *Revue de Synthèse Historique* (Paris, 1920), *L'Intransigeant* (Paris, 1921), *Seances et Travaux de l'Academie des Sciences Morales et Politiques* (Paris, 1921), the *Annals of the American Academy of Political and Social Science* (Philadelphia, 1921), *Deutsche Rundschau* (Berlin, 1922), *Export-Import Review* (Berlin, 1922), *Stimmen des Orients* (Kirchheim-Teck 1923), *Deutsche Allgemeine Zeitung* (Berlin, 1923), *Verein Deutscher Ingenieure Nachrichten* (Berlin, 1924).

These contributions were in the main based on the lectures delivered by him at the Universities of California (November 1916), Iowa (1916), Clark (1917), Columbia, (1918), Pittsburg (1918) and Western Reserve, Cleveland (1918), as well as Amherst College (1919), the Rand School of Social Science, New York (1919), the College of the City of New York (1919), the New York University (1919), the New York School for Community Workers (1919), etc. in the U.S.A., the University of Paris (February-March 1921), *Association Francaise des Amis de l'Orient* (Paris 1921), *Societe Asiatique*, Paris (1921), *Academie des Sciences Morales et Politiques*, Paris (1921), *Academie des Beaux-Arts*, Paris (1921), University of Berlin (March 1922), *Deutsche Gesellschaft* 1914, Berlin (1922), and *Deutsche Morgenländische Gesellschaft*, Berlin (1922).

In December 1918 the ideas were considered by Prof. Ross of Wisconsin as "quite in harmony with the reigning sociological point of view" and also valued by him as "tending to dissipate the old superstition that East is East and West is West and other nonsense of the kind."

Since the publication of his *Positive Background of Hindu Sociology* (1912-14) Sarkar's interpretations of Hindu materialism and energism as well as of parallelism or identity between East and West have been absorbed by Indian researchers in the field of Indian culture, ancient, mediæval or modern. Some of his phrases, paragraphs, chapters, nay, brochures have experienced the accident of being incorporated in the writings of others without acknowledgment.

### III. *Industrialism*

#### *The Benefits of Industrialism*

Sarkar attaches the very greatest importance to the industrialisation of India. India, according to him, must be industrialised by hook or by crook. The reason why he is so very anxious for the industrialisation of India will appear from the benefits which he expects to be derived from that consummation. The benefits expected by him are as follows :—

1. India's poverty is due not so much to any iniquity in the distribution of wealth as to the lack of a sufficient number of employments. "Indian poverty is to be envisaged as, essentially speaking, a question of unemployment on a vast, continental scale."<sup>32</sup> The problem of the poverty-doctor is therefore to suggest ways and means 'to create myriads of employments.' Industrialism is expected to add to the number of employments by providing work in the factories for the unemployed and "under-employed" peasants and also by providing the intelligentsia with posts of engineers, chemists, bank-managers, insurance agents, office clerks, etc. Industrialism thus is a cure for the poverty problem.<sup>33</sup> But it is expected not only to banish poverty but to add substantially to the wealth of the country. An industrialised India is expected by Sarkar to have at least four times its present capacity for producing and consuming goods.<sup>34</sup> An industrialised India would be a power in the world's economic system.

2. Agriculture in India to-day has many superfluous hands. By drawing away the surplus hands from agriculture and through mitigation of the force of competition in agriculture resulting therefrom, industrialism would enable the peasants to raise their earnings and hence their standard of living.<sup>35</sup> In this way the

<sup>32</sup> *Economic Development* p. 392.

<sup>33</sup> *Ibid.*, p. 392.

<sup>34</sup> *Ibid.*, p. 44.

<sup>35</sup> *Ibid.*, p. 393 and *Greetings to Young India*, p. 36.



further industrialisation of India would be an important step in promoting the development of Indian agriculture.

3. Industrialism would make true village reconstruction possible. Sarkar points out that the self-contained character of the Indian villages has ceased to exist. For example, the positions of even the pettiest jute growers in Bengal are governed by world-wide factors. The whole world is, in a sense, present even in the tiniest hamlet. In view of this state of things it is useless to talk of reviving the "autarchic" character of the villages. Village reconstruction can hence only mean the destruction of the semi-mediæval villages of to-day and the replacement thereof by modern municipal towns. In other words, village reconstruction means, according to Sarkar, the increasing urbanisation and municipalisation of the country. The culture and sanitary conditions of the people are expected to improve infinitely as a result thereof. The establishment of mills, factories, railways, etc., in the interior would lead to the reorganisation. Hence, the importance of industrialism from that standpoint.<sup>36</sup>

4. The further industrialisation of India would result in further development of commerce. The industrialism that has been already established in India has led to a phenomenal increase in the volume of India's exports and imports. Further industrialisation would add even more to India's power of production and consumption and hence to the volume of exchange in goods and services. In this way Indian commerce, whether internal or international, would receive tremendous impetus.<sup>37</sup>

5. Industrialism would lead to the expansion of the labour class. This is welcomed from the political point of view also. According to Sarkar, a modern democracy can only arise when there is a large, strong and self-conscious labour force. The expansion of the labour force in India would provide the foundations for a modern democracy in India.<sup>38</sup> That is why the working

36 *Greetings to Young India*, p. 37 and *Economic Development*, p. 393.

37 *Economic Development*, p. 350.

38 Article on "The Earnings and Social Values of Clerical Labour," *J.B.N.C.*, June, 1928, p. 162.

class alone—and none other—is viewed as the backbone of the future society in India.<sup>39</sup>

*The Evils of Industrialism—Not to Be Dreaded*

Industrialism has no doubt its evils. But it is pointed out forcefully that it is not wise to put up with the grinding effects of poverty merely because of the dreaded evils of industrialism. There is hardly any stage in economic evolution which is absolutely without its evils. Hence, instead of putting up with the evils of poverty, we should try to remove them by resorting to industrialism, taking recourse, of course, to as many safeguards as possible in order to counteract dangers. His exact words on the point are as follows:—

“Industrialism indeed has its dangers and pitfalls. No stage in the history of economic evolution is without its evils. But it would be sheer thoughtless obstinacy to practise blindness to the miseries and evils of to-day and yesterday or even glorify and cling to them as virtues, in the fear lest the next stage should bring in new and unheard of troubles.

“There is a limit to cautiousness. One has to be reasonable in regard to the problems of to-morrow; and while not neglectful in the matter of safeguards such as, humanly speaking, may be foreseen both in technique and organisation, the strategist or statesman has to plunge boldly into the immediate future. And this future will take care of other futures. It is not expected of man to achieve impossible feats and to be forearmed against the eventualities of millenniums.”<sup>40</sup>

What are the safeguards suggested in order to counteract the evils of industrialism? Sarkar does not systematically discuss the ways and means for fighting the evils of industrialism. His general attitude is that these evils would be fought when and as they arise. But he gives certain hints from which it is possible to infer as to how he would like them to be fought. He does not seem to prescribe any extreme programme of the nationalisation of

39 *Ibid.*, p. 163 and *Greetings to Young India*, pp. 122-23.

40 *Economic Development*, pp. 393-394

the means of production, distribution and exchange,—though he does not definitely place out of consideration the adoption of any such programme at some distant time in future. He rather concentrates on what the capitalistically organised Eur-American countries are doing to remove the evils of industrialism. The factory-workers are the persons who are very much affected by the introduction of industrialism. And Sarkar advises them to realize their just dues (such as the rights to elastic wages keeping pace with the prices, better conditions of work, control over the factories, a share in the profits, better treatment, etc.) through organisation and strikes.<sup>41</sup> The various kinds of workmen's insurance (unemployment, accident and sickness insurance), the workmen's compensation and other acts intended for the protection of the workers and the old age, widow's and orphans' pensions, etc.,<sup>42</sup> are some of the measures adopted in Western countries to combat the evils of industrialism and these are repeatedly mentioned in order that they may be adopted in India.

#### IV. *Finance and Technocracy*

##### *The Role of Foreign Capital*

The evils of industrialism then being exaggerated and not being all beyond control and its benefits being many, the question then arises—How is India to be industrialized?

Industrialization requires money—'money operating in terms

41 *Ibid.*, p. 460. A detailed treatment of labour problems is to be found in Sarkar: "Bharater Majur O Deshonnati" (The Indian Workingman and National Welfare) in several numbers of the *B.N.R. Employees' Journal*, Calcutta, 1932-33.

42 Article on "The Beginnings of Social Assurance in the World" in *Arthik Unnati*, 1928-29, pp. 458; *Naya Banglar Goda-Pattan* Vol. I, (1932), pp. 43-67; "Social Assurance in France and Germany" *Prabuddha Bharata*, Calcutta, July 1933; "Technique and Finance of Health Insurance" (*Journal of the Indian Medical Association*, Calcutta, November 1933); "Principles of Unemployment Insurance" (*Insurance Herald*, Calcutta 1933); "Accident Insurance in Comparative Legislation and Statistics" (*Insurance World*, Calcutta 1933).

of crores'.<sup>43</sup> Where is that money to come from? Sarkar does not believe that India's indigenous capital is sufficient for that purpose.<sup>44</sup> We shall have to go to the countries which have sufficient surplus loanable capital in order that the industrialisation of India may be furthered.<sup>45</sup> Reliance on foreign capital is held to be necessary at least for some time to come.<sup>46</sup>

Foreign capital may be borrowed by Indian capitalists in order that the latter themselves may utilize the amount in starting industries.<sup>47</sup> In that case the utilization of foreign capital would only mean that interest would have to be paid to its owners. It may also be utilized by foreigners themselves starting mills, factories, etc., in India.<sup>48</sup> Sarkar contemplates the utilization of foreign capital in both the ways mentioned.<sup>49</sup>

He is not blind to the evils of foreign capital. He is particularly conscious of the following when the owners of foreign capital would themselves utilize it in India—that the natural resources of the country would be exhausted, that the dividends and profits would be taken away by the foreigners, that the directing heads would be mainly foreigners.<sup>50</sup> But he points out that, whatever be the gains of the foreigners, we stand to gain solid economic advantages from the use of foreign capital.<sup>51</sup> The plea that the natural resources would be exhausted is not a sound argument; for, the Indian masses cannot be allowed to continue in their present wretched condition until Indian capitalists have accumulated sufficient savings to industrialize the country.<sup>52</sup> The use of foreign

43 *Economic Development*, p. 394. An elaborate scheme of what is known as "economic planning" was furnished by Sarkar in the summer of 1925 through the pages of the *Modern Review*, Calcutta, several years before the Gosplan was announced in Soviet Russia (October 1928).

44 *Greetings to Young India*, p. 72 and Bengali pamphlet on "Instruments for Repairing the Brain," p. 8; *Naya Banglar Goda-Pattan*, Vol. II, (1932), pp. 88-123.

45 *Economic Development*, p. 394. 46 *Greetings to Young India*, p. 17.

47 *Economic Development*, p. 396. 48 *Economic Development*, p. 397.

49 *Ibid.*, p. 397.

50 *Ibid.*, p. 395

51 Bengali pamphlet on "Instruments for Repairing the Brain," p. 9

52 *Economic Development*, p. 398.

capital has no doubt involved in the case of many countries an incessant demand for political concessions on the part of the owners thereof. But, India being under the British, she has nothing to lose in the political line.<sup>53</sup>

The little of industrialism that has already made its appearance in India—and hence some of material prosperity that is to be found to-day among the middle-classes, the workers and the peasants is due to the operation of foreign (almost wholly British)<sup>54</sup> capital in India. Besides, foreign capital has acted, and is still acting, as a great educative force in this country. “For instance, among our Indian bankers, financiers and captains of industry, many leading men have risen to the position that they occupy to-day through previous periods of probation as mere ‘second fiddles’ in foreign establishments.”<sup>55</sup> These reasons explain, in addition to that of the insufficiency of the sources of capital in our country, as to why he attaches so great an importance to foreign capital and regards it as ‘a great help,’<sup>56</sup> ‘a Godsend,’<sup>57</sup> and so on.

In order to minimize the evils of the use of foreign capital as far as possible, it is suggested that, whenever it is allowed to be operated within this country, an attempt should be made to allow such operation subject to as many of the following terms as possible:—“(1) the undertaking should be incorporated in India, tell its capital in rupees, and in every instance possess a certain proportion of capital belonging to Indians, (2) the directorate must contain Indian elements, (3) the higher branches of administration and technical direction must also contain Indian elements, (4) there must be an understanding to the effect that Indian experts get promoted to superior posts without having to feel an unnatural inferiority compared to the foreign personnel, (5) there must be

53 *Ibid.*, p. 395. The evils of foreign capital are discussed by him in a monograph on “The International Fetters of Young China” first published in the *Journal of International Relations* (U.S.A., January 1921) and later as a chapter in the *Futurism of Young Asia* (Berlin 1922).

54 *Ibid.*, p. 394 and *Greetings to Young India*, p. 49.

55 *Greetings to Young India*, p. 17.

56 *Ibid.*, p. 17.

57 *Economic Development*, p. 394.

provision for the training of Indian experts abroad and the working men and women at home, (6) the working men and women must have to be treated on terms as described subsequently in the section on industrial workers, (7) every advertisement or propaganda material must be published in the journals owned and conducted by Indians in India or abroad.”<sup>58</sup>

While relying on foreign capital, because of the necessities of the moment, Sarkar is not unmindful of the importance of indigenous capital. His anxiety for the development of banking<sup>59</sup> in India in order to concentrate and mobilize the savings in the country and the importance he attaches to the Co-operative Societies<sup>60</sup> (rural or urban) as institutions for the concentration and more effective utilisation of the savings of the peasants and the workers—show that he does not minimize the importance of indigenous capital. He also exhorts the moneyed classes<sup>61</sup> to utilize their funds in starting modern industries, and in establishing export-import houses, insurance companies, banks, etc. He advises the richer landlords<sup>62</sup> to invest their wealth in the above enterprises or in large scale farming. That also bears out that he is anxious that the capital resources of the country so far as they exist should be liberated and made available for the pushing on of the economic development of India.

### *Technical Experts—The Pioneers of Economic Development*

The next great requirement for the industrialization of India is the provision of a sufficient number of highly trained technical experts.<sup>63</sup> Three classes<sup>64</sup> of technical experts are required—Engineers (mechanical, electrical, sanitary, and chemical), Chemists (industrial chemists as well as agriculturists) and Economists (with

58 *Ibid.*, p. 397.

59 *Greetings to Young India*, p. 18.

61 *Economic Development*, p. 411.

63 *Ibid.*, pp. 359 and 416 and *Greetings to Young India*, pp. 23 and 113.

The role of technocracy is emphasized further in “Economic Planning for Bengal” (*Insurance and Finance Review*, Calcutta, March 1933).

64 *Economic Development*, p. 416.

60 *Ibid.*, pp. 15 and 48.

62 *Ibid.*, p. 408.

spécial reference to banking, insurance, exchange and foreign trade). The experts are needed to discharge one or other of three specific objects<sup>65</sup> :—(1) to run the industries or finance companies; (2) to act as professors in technical and professional schools; and (3) to carry on original research in the laboratories attached to the schools or the factories or the business houses.

The number of high-class technical experts is very few in India. Hence these will have to be trained up.<sup>66</sup> As the requisite training is not available in India, Sarkar thinks that for many years to come deserving persons would have to be sent abroad for being trained as experts.<sup>67</sup>

He proposes that there should be an organisation in each district to raise funds and to select the persons who are to be sent abroad for training.<sup>68</sup> He suggests that for the next ten years each district should provide funds for the training of at least 100 pioneers at the rate of at least 10 per year. Rs. 10,000 may be taken as the expenses for 2 to 3 years' training for each student. Rupees one lakh then would be the amount which each district would have to spend on the average per year. The students seeking to qualify for the scholarships must possess high academic qualifications (M.Sc., M.B., B.E., B.L., B.T. or M.A.) and must have acquired at least 5 years' post-academic experience before leaving India. In the foreign countries they need not study for degrees, their duty will be to attach themselves non-officially to some establishment or other and to write articles on their investigations.<sup>69</sup> Which of the foreign countries is to be chosen for training? Sarkar says that any of the first-class countries may at present be chosen almost blindly.<sup>70</sup> How is one to secure admission into the factories? To that he says

65 *Economic Development*, p. 359.

66 *Greetings to Young India*, p. 23.

67 *Ibid.*, p. 23.

68 *Ibid.*, p. 23 and *Economic Development*, pp. 416 and 359.

69 *Economic Development*, p. 417; but see p. 361, where the importance of working in laboratories and the inspection of factories and laboratories is emphasised.

70 *Economic Development*, p. 361.

that, as it is very difficult to get into the factories, workshops, etc., in foreign countries, the attempts are to be made after actually reaching the country. In this matter he says that a good deal would depend upon one's power to cultivate acquaintance and also on one's capacity to play on the sense of self-interest of the owners of factories by, say, providing them with some decent order for goods from India.<sup>71</sup>

After the completion of their training abroad, these experts will act as the Economic General Staff for the district from which they are recruited.<sup>72</sup> Their duty will be to find out means and methods for the economic development of the district to which they belong. In this way an opportunity will be provided for the economic evolution of each district in accordance with the guidance provided by the best traditions of the modern countries.

The idea that each district is to make the best possible arrangement for its own economic evolution deserves to be specially noted. Sarkar does not like the districts to be dominated by the provincial capitals. "As far as possible the district organizations should function independently of one another and uncontrolled by the metropolitan leaders and institutions."<sup>73</sup> Altogether a complete project of "economic planning" has been placed with the people and it has been before the public since the summer of 1925.

## V. *The "Second" and the "First" Industrial Revolutions as one Complex*

### *The Growth of Indian Industrialism—Bound to be Slow*

Sarkar points out that industrialism commenced in India in about the fifties of the last century, with the establishment of the jute, woollen and cotton mills.<sup>74</sup> This process of industrialisation is shown as having received a strong stimulus as a result of the

71 *Ibid.*, p. 362.

72 *Ibid.*, p. 416 and *Greetings to Young India*, p. 23.

73 *Greetings to Young India*, p. 22. See also the Bengali pamphlet on "The Instruments for Repairing the Brain," p. 16.

74 *Economic Development*, p. 328.



*Swadeshi* movement (movement for the establishment of indigenous industries) since 1905 and as a result of the Government's effort to encourage Indian industries during and since the War.<sup>75</sup> He thinks that the present sympathetic attitude of the Government towards Indian industrialism is due to an endeavour to strengthen the key industries which have a military importance.<sup>76</sup> In any case, a policy of discriminating protection has been approved of and is being given effect to and Indian industries—which can count many small and middling and some giant industries in their number—are being fostered to-day.<sup>77</sup>

But it is emphasized that industrialism in India—though already a force in the world's economic system (India being at present the eighth industrial power in the world)—can hardly stand comparison with the industrial achievements of the modern countries. For, the number of the giant industries in India is very few, and India's achievements in the line of the small and middling enterprises can be only compared with the industrial achievements of Europe near about 1870.<sup>78</sup> Indian industrialism is but a child compared with the giant-like structure of modern industrialism.

Backward as India undoubtedly is, Sarkar thinks that she cannot expect to quickly catch up to the standard of modern achievements. Some reasons are given as to why the process of advance is bound to be slow. First, as already said, the moderns have already advanced far ahead, while we have yet to learn the very alphabet of industrialism by establishing small industries on a proprietary or partnership basis;<sup>79</sup> secondly, the modern countries had very little competition to face and had full control over their

<sup>75</sup> *Ibid.*, p. 327.

<sup>76</sup> *Ibid.*, pp. 40 and 347.

<sup>77</sup> *Ibid.*, p. 347.

<sup>78</sup> *Ibid.*, p. 335; See in this connection the chapters on "Traces of Rationalization in Indian Business Enterprise" as well as on "The Railway Industry and Commerce of India" in *Applied Economics* Vol. I, (1932).

<sup>79</sup> *Economic Development*, p. 409 and Article on "The next stage in our economic evolution," *Arthik Unnati*, Oct., 1927. B.S., p. 553; *Naya Banglar Goda-Pattan* Vol. II, (1932), pp. 272-313.

destinies at the time they were being industrialized,—India is at a disadvantage in respect of both these points;<sup>80</sup> and thirdly, the advance in the industrialisation of India will depend, among other things, on the amount of funds that can be spent for the manufacture of high-class technical experts, and India's condition is not such that a large supply of funds for the purpose can be confidently expected.<sup>81</sup>

*An Industrialized India not a Menace  
to the Advanced Countries*

Would it be to the interest of the advanced countries to foster the industrialisation of India? At first sight it may appear as if an industrialized India would be but a competitor of the advanced countries, and hence that the industrialisation of India would be detrimental to their interests.

But, Sarkar argues, the industrialisation of India is not necessarily in conflict with the best interests of the advanced countries. It is pointed out that if India is industrialized she would have a greater demand for high-class machineries, chemicals, etc., which she would not be in a position to produce for a long time to come and which the advanced countries alone can produce. "First-class machineries, complicated tools and implements, as well as chemicals of finer and superior qualities must have to be imported from the elderly industrial countries for quite a long time. Whenever and wherever there arise the questions of quality, precision, standardisation and so forth India will have to depend on foreign products."<sup>82</sup> The advanced industrial countries, *i.e.*, those witnessing the "second industrial revolution," however, will have for that reason 'to slowly transform their industrial system and revise and rearrange their manufacturing forces' in order to produce those commodities and render those services which a newly industrialising country like India may stand in need of.<sup>83</sup>

80 *Economic Development*, p. 349.

81 *Ibid.*, p. 361.

82 *Economic Development*, p. 350.

83 *Greetings to Young India*, pp. 74 and 75.

Secondly, an industrialized India would be a country with a greater capacity not only for the production but also for the consumption of goods, both indigenous and foreign. An industrialized India would thus mean a big market for the advanced countries. "The number of men and women functioning actively and discriminatively on the economic system of India as consumers, *i.e.*, agents on the demand side of values, will be steadily on the increase. And thus increasing wealth and wants of the Indian villagers will as a matter of course furnish fresh stimuli to purchases from abroad in the shape of finished and semi-finished products as well as factory outfit, etc. In other words, we arrive at a paradox, namely, that the more industrialized and necessarily more wealthy India becomes the more will she import from other industrial nations."<sup>84</sup> It is also pointed out very relevantly in this connection that each of the countries of the "second industrial revolution" like Great Britain, Germany, the U.S.A., etc.,—who are almost in the same industrial stage—finds in the others quite an extensive market for its own products."<sup>85</sup> On these grounds it is argued that the industrialisation of India is more a help than a menace to the advanced countries. While analyzing the world economic depression of 1929-34 in *Applied Economics* Vol. I. he develops this thesis to the extent of pointing out that the second and the first industrial revolutions constitute really one economic complex. Hence Sarkar appeals to the commercial and industrial genius of Great Britain and Germany to rigorously push on the industrialisation of India, his appeal to the British being principally for capital<sup>86</sup> and to the Germans for facilities for technical training.<sup>87</sup>

### *Cottage Industries to be Modernized*

Sarkar does not believe that cottage industries are the pecu-

84 *Economic Development*, p. 350. The nature of the "second industrial revolution" and its relations with the first are discussed at length in *Applied Economics* Vol. I, (1932), pp. 269, 290-92, 300.

85 *Economic Development*, pp. 350-351.

86 *Greetings to Young India*, pp. 68, 76, 95 and 160.

87 *Economic Development*, p. 45.

liar products of Indian civilization or that they have any special affinity with Indian culture or traditions. These also prevailed at one time in Europe and just as they have disappeared, more or less completely in the more modernized regions of the West, similarly they are likely to disappear, more or less completely from India as well.<sup>88</sup>

But, the economic condition of India is very backward at present, in spite of the modernism that has been introduced till now. Hence he thinks that the cottage industries of India are bound to survive for some length of time.<sup>89</sup> That is why he urges that the time for the choice in favour of factory industries to the exclusion of cottage industries has not yet come.<sup>90</sup> He also refers to the fact that cottage industries or small-scale industries or industries based on manual labour, are not altogether rare even in Europe to-day.<sup>91</sup> For these reasons he advises that efforts are to be made to enable the potters, weavers, carpenters, masons, blacksmiths, etc., to pass on to the "next higher stage" in the evolution of their respective crafts by widening their ideas, by teaching them to use better tools and instruments and also by providing them with funds through banks especially started for the purpose.<sup>92</sup>

Sarkar attaches some importance to *Khaddar* as one of the cottage industries. He thinks that the peasants can utilise their spare moments in spinning.<sup>93</sup> Besides, according to him, *Khaddar* would enable the weavers and also the middle class young men (acting as middlemen) to add to their earnings.<sup>94</sup> From the increasing sale of *Khaddar* the conclusion is drawn that it must have actually proved to be paying to the producers,—otherwise such sales could not have continued.<sup>95</sup> No opinion is given as to

88 "A Misleading Argument in favour of Cottage Industries advanced by the Government Department," *J.B.N.C.*, Sept. 1927, p. 135.

89 Bengali pamphlet on *The Arthasastra of Young Bengal*, p. 44 and *J.B.N.C.*, for Sept. 1927, p. 81.

90 *Greetings to Young India*, p. 38.

91 Bengali pamphlet on *The Arthasastra of Young Bengal*, p. 43.

92 *Economic Development*, p. 403.

93 *Ibid.*, p. 346.

94 Bengali pamphlet on *The Arthasastra of Young Bengal*, p. 45.

95 *Greetings to Young India*, p. 58.

whether it can compete with mill-made cloth as regards quality or price.<sup>96</sup> Though he notices the progress made in its quality and cheapness,<sup>97</sup> he thinks it is comparatively costly, and he recommends that its use is to be patronized in spite of its costliness because it provides some classes of the people with employment.<sup>98</sup> This shows that he does not think that *Khaddar* is capable of competing with mill-made cloth on equal terms. He strongly urges that efforts should be made to improve the mechanism of the *Charkha*.<sup>99</sup>

#### VI. *The "Balkan Standard" and the Anglo-German-American Standard in Technocracy*

The complementary relations between the two industrial revolutions as well as the distinction between what he calls the "Balkan standard" and the "Anglo-German-American standard" in technocracy constitute the bed-rock of Sarkar's discussions not only in regard to the progress of India but to the larger questions of world-economy as well as to the problems bearing on the unemployment question and the present world-economic depression (1929-34). This aspect of Sarkar's studies has been well brought out in the review of his *Applied Economics* Vol. I. by Prof. Bogart published in the *American Economic Review* (September 1933).

"Prof. Sarkar," says Prof. Bogart, "endeavours in his latest book to determine the proper economic policy for India. It would be a great mistake, he concludes, for his country to adopt the methods or machinery of contemporary Western Europe or the U.S. for they are in an advanced stage of industrial development, while India is only emerging from the handicraft stage. If Western methods must be found they should be sought in the Balkans, in

96 Bengali pamphlet on *The Arthasastra of Young Bengal*, p. 45.

97 *Ibid.*, p. 44.

98 *Ibid.*, p. 45.

99 *Greetings to Young India*, p. 38; *Naya Banglar Goda-Pattan*, Vol. II, (1932), pp. 294-297 (where the problem of *Khaddar* is discussed at length). See also the criticism of Richard Gregg's *Economics of Khaddar* (Madras 1928) by Dutt: "A Study of the Economic Aspect of Khaddar" (*Journal of the Bengal National Chamber of Commerce*, Calcutta 1929).

Spain or in other countries now entering upon modern industrialism. There is something reminiscent of List's stages of economic development in Prof. Sarkar's position. That the industrialisation of India has not proceeded very far is shown by the essentially primitive conditions in native banking, railways and insurance. Although traces of rationalisation, the outstanding feature of modern American industrialism, are to be found in the cotton mills, the iron, the hydro-electric and oil industries, this movement in India is still largely exotic.

"The author believes that fresh significance will be given to the study of economic organisation and societal structure if the relationships between the regions of the 'second' Industrial Revolution (England, France, Germany and the U.S.A.) and those now entering upon their first Industrial Revolution (India, China, the Balkans, South America etc.) are fully understood. He concludes that the standards of living in Western Europe and the U.S.A. can be raised only to the extent of a simultaneous development in the industrially less developed countries."

In Germany also Sarkar's analysis of the relations between the two industrial revolutions has attracted the attention of scholars, for instance, of Prof. Hashagen reviewing Sarkar's *Economic Development in Technik und Wirtschaft* (Berlin 1929), of Prof. Rumpf writing on Sarkar's viewpoints in *Fraenkscher Kurier* (Nürnberg, 1931), of Prof. Wehrle reviewing *Applied Economics in Weltwirtschaftliches Archiv* (Jena 1933) as well as of Prof. Haushofer editorially commenting on and referring to Sarkar's works in several numbers of the *Zeitschrift für Geopolitik* (Berlin 1930-34). In *Allgemeines Statistisches Archiv* (Jena 1933), Prof. Henninger observes as follows: "In Sarkar's theory that the industrialisation of the undeveloped is likely but to compel the adults to embark upon the specialisation in quality-goods and reorganisation of their industrial structure we find Zahn's idea corroborated." (See foot note, p. 131).

## VII. The Renaissance of Indian Agriculture

Sarkar takes keen delight in pointing out that the signs of

the up-to-datisation of Indian agriculture are already manifest here and there. "The crops that our cultivators produce to-day, although the same in name and superficial appearance as those to which our forefathers were used are not really identical with them. New varieties of improved breeds have been taking the place of traditional strains."<sup>100</sup> The new varieties of jute, cotton, tobacco, wheat, rice and sugar-cane produced through the efforts of Government research workers are here referred to. Not only have new and improved breeds been produced, but these are being spread among the cultivators, and it is a matter for sincere satisfaction that there is an extensive demand for the improved varieties.<sup>101</sup> Modern agricultural machinery also has been making its appearance in India. "In Bombay and the United Provinces cultivators have been getting used to modern agricultural machinery. Engines, pumps, threshing machines, petroleum-driven tractors, steam ploughing machinery and allied tools and implements are bidding fair to change the aspects of cultivation and irrigation in Indian villages."<sup>102</sup>

But whatever be the improvement that has been effected till now, Indian agriculture is still overwhelmingly primitive and backward when judged by the modern world standard.<sup>103</sup> Indian agriculture still presents a spectacle of the production of food crops and raw materials being carried on in scattered, fragmented and uneconomic holdings by illiterate peasants with the help of primitive tools and implements. What then are the steps to be taken to push on Indian agriculture further in its journey towards modernism which has already commenced?

Primary stress is laid by Sarkar on our land-laws.<sup>104</sup> The land-laws of India have got to be modernised. There are many

100 *Economic Development*, p. 67.

101 *Ibid.*

102 *Ibid.*, p. 26.

103 Lecture on "The Next Stage in our Economic Life," *Arthik Unnati*, Oct. 1927, p. 552.

104 Article on "The Foundations of Economic Development," *Arthik Unnati* for 1926, p. 212.

agricultural problems in India which are similar to those which arose in 19th century Germany, and all those problems were solved by the latter through better land legislation.<sup>105</sup> In India some of the outstanding problems of agriculture are—(1) that the size of the holdings is not large enough for the maintenance of a peasant's family; (2) that the holdings usually comprise plots which, in many instances, are not available in one consolidated block; (3) that the holdings are successively subdivided from generation to generation in accordance with our laws of inheritance providing for the equal division of paternal properties among the sons; and (4) that there are a large number of landless agricultural labourers, on the one hand, and a large number of landlords with superfluous and uncultivated lands on their hands, on the other. We have already hinted above in connection with our discussion on agriculture in the modern world<sup>106</sup> that all those problems arose and were successfully tackled in nineteenth century Germany. Hence, so far as land legislation is concerned it is stressed that we have to find out the exact changes which have got to be brought about in the landlaws of India for the amelioration of her agriculture having regard to the experience of Germany and also of Denmark and Great Britain, which have followed in her footsteps. "The problem in Europe has been to effect the transition from the Zamindary to the peasant proprietorship and in its transition the most remarkable results have been achieved in Germany. Denmark has followed the German land legislation. Great Britain has recently been trying to learn of Denmark and Germany. For India, therefore, to-day the most useful countries for investigation are Germany and Denmark."<sup>107</sup>

Next to land-laws considerable stress is laid on the utilisation of machineries and chemicals in agriculture. "There are thousand

105 *Arthik Unnati* for 1926, p. 212, also the series of articles on "Landlordism in New Bengal" in *Arthik Unnati* for 1928.

106 *Ekaler Dhanadulat O Arthasastra* Vol. I, (1930), pp. 394-399; *Naya Banglar Goda-Pattan*, Vol. I, pp. 68-103.

107 *Greetings to Young India*, p. 65.



and one ways of making money if farming can be brought within the sphere of engineering." "Agriculture will give rise to the advent of a new economic system in Bengal, if it can be brought under the shadow of engineering and chemistry." "Cow-dung will no longer do. What do our cows feed upon? What is the quantity of dung yielded by it? And what is its chemical value? Chemical manures will have to be adopted." The adoption of machineries and chemical manures is specially recommended for those persons who take to large-scale farming as a profitable line of business.<sup>108</sup>

Sarkar considers the co-operative movement to be highly beneficial to small-scale farmers. "Cultivators such as cannot command more than 1, 2 or 3 bighas of land will have to depend on the co-operative system in credit, sale, marketing, etc. for the improvement of their status."<sup>109</sup>

Efforts to establish producers' combines on the lines of those in America are noted with approval. In *Economic Development* (p. 346) Sarkar says, "There is a movement going on in the direction of establishing a 'jute-growers' combine' on the model of American cotton and other raw produce trusts in order that the cultivators can bring their influence to bear on the purchasers, who deliver the stuffs to the foreign factories, in the determination of price." The importance of producers' combines is also stressed in *Greetings to Young India* (p. 66) in the following words—"In regard to America, India can take her as a teacher in at least one line and that is the organisation of agricultural producers' combines."

As already noted, industrialisation itself is regarded as one of the factors making for the improvement of agriculture, inasmuch as it would serve and draw away the superfluous cultivators to the factories and mills.<sup>110</sup> Not only that; the introduction of

108 *Arthik Unnati* for Oct. 1927, p. 552 and Bengali pamphlet on *The Artha Sastra of Young Bengal*, p. 42.

109 *J. B. N. C.* for Sept. 1927, p. 81.

110 *Economic Development*, p. 393.

scientific agriculture is in itself viewed as but a part of a wider scheme for the industrialisation of the country. "Modernized and scientific agriculture is essentially an aspect of industrialisation—including, as it does, machineries and chemical fertilisers on the technical side, and co-operative banking and the organisation of transportation and marketing facilities on the economic side."<sup>111</sup>

The importance of various subsidiary industries to engage the energies of the peasants during spare hours is not overlooked, although, it must be said, this point occupies a very minor position in Sarkar's scheme for the economic regeneration of India. The utility of hand-spinning as a spare-time occupation is not denied.<sup>112</sup> Our attention is also drawn to the various subsidiary industries resorted to by British farmers, viz., animal husbandry, poultry farming, bee-rearing, etc.<sup>113</sup>

Sarkar relies upon the richer landlords to introduce large-scale scientific farming<sup>114</sup> and upon the moneyed classes (which do not exclude the richer landlords) to start agricultural banks for the assistance of the Co-operative Credit Societies.<sup>115</sup> "The landed aristocracy are not absolutely devoid of capital. They have but to acquire the virtues of hard and honest labour as normal human beings in order that they may discharge the functions of farmers and responsible managers of banking and insurance institutions as well as export-import offices and industrial undertakings."<sup>116</sup> Of the various professions here suggested for the richer landlords, it is to be noted that the first place is given to farming, which is regarded as 'the most suitable.'<sup>117</sup>

The too common suggestion, that the educated middle class men should take to farming, is not approved of. "It is doubtful if the members of the so-called middle classes can accomplish

111 *Greetings to Young India*, p. 74.

112 *Economic Development*, p. 346.

113 *Vartaman Jagat*, Vol. 2, Chap. on "Farming in Great Britain."

114 *Economic Development*, p. 408.

115 *Economic Development*, p. 413.

116 *Ibid.*, p. 409.

117 *Ibid.*, p. 408.

much in the agricultural profession, because, as a rule, they *possess hardly any land* and are *not in a position to invest even a thousand Rupees*, the minimum needed for modest farming."<sup>118</sup> Far from asking the educated class to go to the land he would even ask the cultivators themselves to leave aside the profession—until a certain percentage of the people, in proportion to the land available, was in charge of the whole land, so that that percentage of the people might live comfortably.<sup>119</sup>

### VIII. *The Development of Commerce*

The popular notion in this country is that commerce refers only to the buying and selling of goods. Sarkar points out vigorously, however, that in addition to the buying and selling of goods as also of services—whether wholesale or retail—banking, insurance and transportation (including railways, shipping, bus services, etc.) are important items of commerce in themselves and are to be resorted to as such.<sup>120</sup>

Indian merchants are asked to remember that modern commerce is based on modern industry and agriculture. Hence we are asked, on the one hand, to push forward the agricultural and industrial development of India and, on the other, to master the secrets of modern production. "It is agriculture and industry that furnish the raw materials of commerce."<sup>121</sup> "Every measure, legal or technical, that is calculated to add to the yields of our soils and every enterprise that helps forward the utilisation of our raw produce for semi-manufactures or finished goods in our own districts will have to be watched with the keenest interest by the representatives of our commercial business."<sup>122</sup> "Prosperity in

118 *J. B. N. C.*, Sept. 1927, p. 81.

119 Lecture on "India's Economic Problems," *Greetings to Young India*, p. 36; *Ekaler Dhanadaulat*, Vol. I. (1930), pp. 342-346.

120 *Greetings to Young India*, pp. 38-39, and pp. 112-113; *Naya Banglar Goda-Pattan* Vol. II, pp. 281-288.

121 Lecture on "New Orientations in Commerce," *Greetings to Young India*, p. 113.

122 *Ibid.*, p. 113.

commerce is possible only when the people who are in trade are themselves experts in chemistry or engineering."<sup>123</sup> It is also stressed that the prosperity of our commerce depends on the measure of the co-operation received from chemists and engineers. "The prosperity of commercial Bengal will depend on the quality, quantity and variety of co-operation that our bankers and other traders can obtain from chemists and engineers."<sup>124</sup>

Indian merchants are also asked to keep themselves in constant touch with current commercial and economic events happening abroad. For instance, Russia is rising as India's competitor on the international market in respect of oil-seeds and manganese. Hence, "Russian economics cannot evidently be neglected by the stalwarts of Indian foreign trade."<sup>125</sup> Besides, the exchanges of raw materials, goods and capital as well as of population are going on to-day on an enormous scale between the distant corners of the world. Young India will therefore have to be 'adequately equipped' and 'perpetually alert' 'to promote her interest' in the present regime of world economy 'in intimate association with the adults of the economic world.'<sup>126</sup>

So far with regard to commerce in general. Some suggestions for the better utilisation of India's foreign trade in the interest of Indians are:—(1) the establishment of Commercial News Bureaus and of Indian Agencies in countries which are the best customers of India and (2) the undertaking of overseas insurance by Indian Companies.

We would now consider what practical proposals Sarkar has to offer in order to improve the condition of our shopkeepers who are generally illiterate and who constitute a great bulk of the population. He thinks that our shopkeepers suffer from two-fold difficulties:—first, lack of knowledge about markets, goods and prices, and, secondly, lack of capital. The first difficulty may be

<sup>123</sup> *Economic Development*, p. 357.

<sup>124</sup> *Greetings to Young India*, p. 114.

<sup>125</sup> *Economic Development*, p. 120.

<sup>126</sup> Article on "Postulates of Indian Commerce" in *Indian Commerce and Industry* (a Monthly Review edited by Prof. Sarkar), July, 1929.

removed by the establishment of shopkeepers' schools. And the establishment of shopkeepers' banks would remove the second difficulty. Absence of literacy among our shopkeepers is of course 'a fundamental handicap.' But it is said that, as in the case of our peasants and artisans, similarly in the case of our shopkeepers, 'efforts at economic advance must not be made to wait until primary education has been made compulsory, universal and free,' for, it is said that 'the shopkeepers' shrewd business sense is not dependent on literacy and also that 'poverty is more dangerous than ignorance.'<sup>127</sup>

The suggestions offered above are with regard to the future. Even, at present, however the achievements of Indians in the realm of commerce are in no way discouraging. Our attention is pointedly drawn to four hopeful factors of contemporary commerce among Indians.

First, Indian merchants to-day 'do not feel satisfied with' quotations from one particular firm or from some particular country.' 'Even the old Indian houses of established reputation' do not stick to 'their traditional method of depending exclusively on age-long business relations.' India thus is 'developing an open eye with regard to the world market' and 'bids fair to be a self-conscious, critical and discriminating limb of the world market.' Incidentally, we may note that this is advantageous to every country in the world, since every country is thus being offered chances of business in India.<sup>128</sup>

Secondly, the number of commercial and industrial travellers that India has been sending out to the world is increasing almost daily.<sup>129</sup>

Thirdly, with his wide experience Sarkar gives the opinion that Indian commercial travellers or agents and Indian export or import houses in India or abroad 'are of at least as much worth' as are the commission houses, agencies and importers across the seven seas.<sup>130</sup>

127 *Economic Development*, pp. 404-406.

129 *Ibid.*, p. 356.

128 *Ibid.*, p. 356.

130 *Ibid.*, p. 46.

Fourthly, a large number of young Bengalis and other Indians have taken to foreign trade and are making a decent income.<sup>131</sup>

### IX. *Banking and Insurance*

The development of commerce and industry is pointed out as depending on banking.<sup>132</sup> Banking is regarded as one of the four pillars of the economic structure, the others being—agriculture (to be modernised through advanced land legislation), efficient individuals (the efficiency to be attained through accident, old age and sickness insurance) and industries (to be improved, among other things, through industrial democracy, *i.e.*, control of workers over industrial establishments).<sup>133</sup>

A good deal of banking is done in India according to mediæval methods.<sup>134</sup> But the development of modern joint-stock banks is not a discouraging one. In 1905 there were nine joint-stock banks in India under Indian control with capital of at least Rs. 5 lakhs each. In 1928 the number of such banks rose to 27. In 1905 the number of foreign exchange banks was ten with deposits amounting to Rs. 17 crores. In 1928 the number rose to 18 with deposits amounting to Rs. 71½ crores. The amount of deposits in Indian joint-stock banks with capital varying from Rs. 1 lakh to 5 lakhs rose during the same period from Rs. 12 crores to Rs. 63½ crores. The moral drawn from the figures may best be presented in the words of Sarkar himself—"It is clear that to-day, as in 1905, the foreign banks were 'absolutely' superior to the Indian joint-stock banks in the amount of deposits." But 'relatively' speaking, it is necessary to note that while in 1905 the Indian institutions were to the foreign in the proportion of 12 to 17 crores in deposit, to-day the proportion is 63½ to 71½. The tendency on the Indian side is represented by an increase to the extent of 5.29 times, while that on the foreign side is somewhat

131 Lecture on "Economics and Journalism," *Greetings to Young India*, p. 56.

132 *Arthik Unnati* for 1926-27, p. 210.

133 *Arthik Unnati* for 1926-27, p. 212; *Ekaler Dhanadaulat* Vol. I, pp. 303-326.

134 *Arthik Unnati* for 1926-27, p. 624.

less, namely, 4.2 times. One is convinced that the Indian concerns have at least succeeded in maintaining their pace and that the foreign institutions have not been able to out-distance them in the race for expansion."<sup>135</sup>

As regards the development of banking in Bengal Sarkar notes that while in 1905 the number of joint-stock banks under Bengali management could be counted at one's fingers' ends<sup>136</sup> and the co-operative societies were being only talked of,<sup>137</sup> the number of joint-stock banks under Bengali management has risen to the decent figure of 500<sup>138</sup> and that of co-operative credit societies to 30,000.<sup>139</sup>

If the average paid-up capital of those joint-stock banks be estimated at Rs. 25,000, the combined bank capital of the 500 banks would amount to Rs. 1,25,00,000. And if each bank is regarded as doing business amounting to ten times the amount of the capital, the amount of banking business being done in Bengal under these banks would be Rs. 12½ crores. Taking the population of Bengal to be 5 crores, the *per capita* banking business done in Bengal by these banks would be Rs. 2-8 per year. This is a decent figure considering that 'the total amount of banking business done by us in 1905 along modern and joint-stock method, was too little to yield any figure per head of the entire Bengali people.'<sup>140</sup>

What is the significance of those 500 banks ordinarily known as Loan Offices? These banks have led to the growth of a bank *personnel* of about 5,000 directors and about 3,500 managers, accountants, inspectors and clerks. This shows that our intellectual middle classes 'are getting used to the technique and transactions of modern banks,'<sup>141</sup> and as these banks are spread

<sup>135</sup> Lecture on "Bengali Banking in Comparative Bank Statistics," *J. B. N. C.*, for Sept. 1928, p. 6; *Applied Economics* Vol. I, pp. 102-110.

<sup>136</sup> *J. B. N. C.*, Sept. 1928, p. 4.

<sup>137</sup> *J. B. N. C.*, Sept. 1928, p. 3.

<sup>139</sup> *Ibid.*, p. 3.

<sup>141</sup> *J.B.N.C.* Sept. 1928, p. 5.

<sup>138</sup> *Ibid.*, p. 4.

<sup>140</sup> *Ibid.*, p. 4.

throughout the mofussil, 'the banking habit also is becoming diffused throughout the length and breadth' of the country."<sup>142</sup> "It is also evident that these banks are contributing to the solution of the unemployment problem, inasmuch as they are providing so many Bengali intellectuals with appointments."<sup>143</sup>

What is the significance of the co-operative banks? These show that our illiterate peasants are operating a capital of Rs. 8 crores through the medium of these banks for their own mutual benefit. As a result, 'collective business and united efforts, as well as the spirit of mutual understanding and help have grown into a national asset and an integral part of Bengali character, especially among the peasant classes. And this spirit of agricultural and commercial solidarity is a substantial item which the businessmen, bankers and industrial heads of the country must recognize as a valuable aid to the economic development of our country during the next few years.'<sup>144</sup>

Thus, Bengal (we might also say, India) need not be ashamed of what she has accomplished in banking during the last two or three decades. "Of all the different lines of modern business in which Bengal has been taking part, banking is perhaps the youngest. And yet our record in banking is *quite glorious and encouraging*."<sup>145</sup>

We are, however, asked to carefully remember that our achievements are too small when compared with the banking enterprise of the British and the Americans. "In England and Wales in 1924 with a population of about 38 millions (less than that of Bengal) there were over 8,000 banks or rather bank offices, owned as they were by the 13 large joint-stock institutions, commanding a deposit of some £2,000 millions. The combined capital of the firms is about £86 millions. Every Briton possesses, then, bank capital to the value of £2-4-0 (about Rs. 29) and bank deposit valued at £51-6-0 (Rs. 684). And, from the standpoint of banking facilities it is to be noted that for every 4,777 persons there is

142 *Ibid.*, pp 5.

144 *Ibid.*, p. 3.

143 *Ibid.*, p. 5

145 *Ibid.*, p. 1.



one bank office in the country."<sup>146</sup> "In 1927 there were some 27,000 banking institutions in the U.S.A. commanding, as they did, a total deposit of 56,735,858,000 dollars. . . . Now, the American population is to be counted at 117,136,000. This gives a bank office to every 4,338 persons. . . . Every American possesses a deposit to the tune of some 484 dollars (about Rs. 1,331), and bank capital per head of the American population would come up to about 25 dollars (*i.e.* Rs. 68-12-0)."<sup>147</sup>

But we are asked not to be disheartened at a perusal of these imposing figures. For, even to-day there are many countries in Europe and America whose present banking position can be compared with ours. "By the American or British standard many of the independent powers, great or small, will be found to be lagging behind."<sup>148</sup> Besides, our banking progress till now does not compare unfavourably with the beginnings of modern banking in the Western world. "In England, for instance, it took 50 years (1836-86) to raise the combined capital of banks from £10 millions to £40 millions. About 1840 there used to be bank failures in England at the rate of 24 or 25 per year. In 1870 there were not more than 970 bank offices owned by 133 joint-stock concerns. Besides, it was so late as 1858 that 'the limited liability principle' was admitted by England in banking business."<sup>149</sup> "So late as 1870 there were only 19 *departments* or districts in which France possessed banking institutions, as branches or main offices. In other words, 74 *departements* or districts did not possess any bank at that time. And there were not more than 5 or 6 cities which possessed more than one bank."<sup>150</sup> "In Germany, between 1850 and 1870, the total capital of all joint-stock banks did not go beyond 100 million marks (1 Mark=12 annas approximately)."<sup>151</sup> If we examine the case of Japan, in 1927 she had 2,100 banks and 6,000 branches with a paid-up capital of 2,000,000,000 yens and deposit of 11,403,399,000 yens. But modern banking began to

146 *J. B. N. C.*, Sept. 1928, p. 7.

148 *Ibid.*, p. 8.

150 *Ibid.*, pp. 9-10.

147 *Ibid.*, p. 7.

149 *Ibid.*, p. 9.

151 *Ibid.*, p. 10.

develop in Japan only in 1872, and she had only 150 banks in 1876.<sup>152</sup>

The lesson that Sarkar would like us to derive from these facts is, first, that the modern nations of Eur-America and Japan are *only about two generations ahead* of us, and that it *does not take centuries or millenniums to become modernised* in regard to bank technique<sup>153</sup> and, secondly, that "the story of the earlier phases in modern banking is likely to be *more instructive* to the Indian bank-builders and experts in finance than is that of the recent developments, overpowering as these latter are bound to be by the sheer fact of their vastness and organisational complexity."<sup>154</sup>

As regards the immediate future, Sarkar urges that we must increase the *number* and add to the *functions* of our banks.<sup>155</sup> We are also required to find out the *exact size* of our banks below which we cannot go without losing in efficiency.<sup>156</sup> Further, *bank concentration* is urged as 'a technical necessity,' because the larger the amount of capital, the greater the chance of success. Bank concentration, like large-scale production in other lines, has proved to be a technical necessity."<sup>157</sup> The persons associated with joint-stock banks in Bengal in one capacity or other are advised to start a Bengali Institute of Banking 'with the object of discussing the ways and means of furthering and improving the business of Bengali banks on up-to-date lines.'<sup>158</sup>

Besides, in his Economic Scheme for Young India,<sup>159</sup> Sarkar urges that we require *at least 5 types of credit institutions* for the economic development of the country: (1) co-operative

152 *J. B. N. C.*, Sept. 1928, p. 11.

153 *Ibid.* p. 11.

154 *Economic Development*, p. 75.

155 *J. B. N. C.*, Sept. 1928, p. 13.

156 *Ibid.*, pp. 13-14; *Applied Economics* Vol. I, pp. 136-140 (The Bank Capitalism of Young Bengal).

157 *Arthik Unnati*, 1926-27, p. 630 and *J. B. N. C.*, Sept. 1928, p. 14.

158 Address on "The Artha-Sastra of Young Bengal," *J. B. N. C.*, Sept. 1927, p. 82.

159 *Economic Development*, pp. 393-417.

credit societies; (2) handicraft banks; (3) shop-keepers' banks; (4) modern industrial banks; and (5) foreign trade banks.

Co-operative credit societies are meant for both the agriculturists and the labourers. Sarkar condemns the aloofness of the "nationalists" from the co-operative movement and urges that at least 10 propagandists with a monthly salary of Rs. 100 each, should be appointed in every district to push on the co-operative movement. Agricultural experts, trained in Agricultural Colleges, and graduates with knowledge of economics, might be appointed as such propagandists. But he is careful to point out that the co-operative societies would not be sufficient to provide the peasants with the financial aid they require and that these must be supported at the top by agricultural banks, started either by the moneyed classes or the Government.

The moneyed classes are also advised to start banks for handicrafts and shop-keepers with an authorised capital of about Rs. 50,000 each, to advance loans of from Rs. 5 to Rs. 500, to the artisans and the shop-keepers, to enable them to work at the ideas they get from their respective schools,—and also banks for modern industries and foreign trade each with an authorised capital of about Rs. 5 lakhs. The special attention of the moneyed classes is sought to be drawn to the last four types of banks just mentioned, for, 'it is through these institutions that *in the course of one generation* Indian capital will develop into *a great power*.'<sup>160</sup>

We might note here that Sarkar was a supporter of the proposed Reserve Bank of 1927 which he considered to have been based mainly on the fundamental principles of the *Reichsbank* of Germany. His opinion on the point is briefly this—"The proposed Reserve Bank of India is likely to be a powerful instrument in the establishment of India's credit and financial system on advanced lines, such as have been experimentally found to be sound in the currency policy of the Great Powers." He thought that a larger number of Indian joint-stock banks should have been allowed the privilege of having their commercial papers recognised

by the Bank, and also that the co-operative credit societies should have been admitted to the same privilege. With these amendments, he would have been satisfied with the Reserve Bank Bill. The provisions as to note-issue were approved of as being neither too rigid nor too elastic. He seems to think that lack of Indianisation of the Bank should not have been allowed to stand in the way of its establishment.<sup>161</sup> In 1933 likewise he supported the new Reserve Bank Bill and it has become law.

The spread of Indian Insurance Companies is stressed as important for two reasons :—(1) we shall thereby be able to appropriate the enormous profits which are now being received by the Europeans and the Americans<sup>162</sup> and (2) the Insurance Companies will make for the concentration of capital which will later be useful for the commercial and industrial expansion of the country.<sup>163</sup>

The progress so far achieved by Indians in the realm of insurance business is very encouraging. The value of the business at present done by Indian Insurance Companies is Rs. 10 crores, which is three and a half times what it was before the War, and the amount of the premium collected is Rs. 3½ crores, which is three times what it was in the pre-War period. At present, the number of Indian Insurance Companies is 60, while that of the foreign ones is 20. A few years back the Indian Companies held 20 per cent of the total premium fund in India, at present they hold 57 per cent, the remaining 43 per cent being held by the foreign concerns. It thus appears that the record of the advance made by the Indian Companies is indeed a satisfactory one.<sup>164</sup>

Sarkar advises the moneyed classes to devote their funds with

161 "Views on the Currency Report," *Greetings to Young India*, p. 91 and *J. B. N. C.* Sept., 1927, pp. 76-77; *Indian Currency and Reserve Bank Problems* (Calcutta 1933).

162 *Economic Development*, p. 413.

163 In an interview published in the *Englishman* (Calcutta), also in the *J. B. N. C.*, as "Insurance as Indian Business."

164 "Insurance as Indian Business" in the *J. B. N. C.*

greater liberality to insurance business in India.<sup>165</sup> And by insurance business he means not only ordinary life and other insurances but also overseas or foreign trade insurance.<sup>166</sup> We might also mention here that the insurance business is recommended as a line, which, if properly conducted, leaves very little chance of loss and carries with it the possibility of enormous profits.<sup>167</sup>

### X. Vocational Education Indian Educational Statistics

The question of education has, according to Sarkar, a very great importance from the economic standpoint. Hence, the consideration of the measures necessary for economic development must embrace within its ken a deliberation on the educational problems of India.

We shall begin by pointing out the extent of professional and general education in present-day India. We shall then consider to what extent the present position of education in India falls short of the world standard. Lastly, we shall dilate on Sarkar's suggestions for improving the standard and advancing the extent of education in India.

His facts relating to professional and technical institutions in India in 1924 are the following<sup>168</sup> :—

<i>Colleges :</i>				Number of Institutions.	Number of Scholars.
1.	Law	...	...	11	7,227
2.	Medicine	...	...	8	3,873
3.	Teaching	...	...	22	991
4.	Engineering	...	...	6	1,486
5.	Agriculture	...	...	5	567
6.	Commerce	...	...	10	1,330
7.	Forestry	...	...	2	169
8.	Veterinary	...	...	3	292
				<hr/> 67	<hr/> 15,935 <hr/>

<sup>165</sup> *Economic Development*, pp. 412-413.

<sup>166</sup> *Ibid.*, p. 412.

<sup>167</sup> *Ibid.*, p. 409; *Naya Banglar Goda-Pattan* Vol. II, pp. 297-303.

<sup>168</sup> *Comparative Pedagogics in relation to Public Finance and National Wealth* (Calcutta 1929), p. 72.

				Number of Institutions.	Number of Scholars.
<i>Schools :</i>					
1.	Arts	...	...	9	1,711
2.	Law	...	...	2	124
3.	Medical	...	...	26	4,761
4.	Normal	...	...	798	21,332
5.	Engineering	...	...	12	1,224
6.	Technical and Industrial	...	...	316	14,483
7.	Commerce	...	...	131	7,401
8.	Agriculture	...	...	15	381
9.	Reformatory	...	...	8	1,190
10.	Defectives	...	...	28	687
11.	Adults	...	...	2,816	70,340
12.	Other	...	...	2,456	83,606
				6,617	207,240

### *Indian Education by the World Standard*

Sarkar doubts whether the schools included in Nos. 11 and 12 are to be regarded as real professional schools. If these schools as well as the scholars studying in them are excluded, we have a total of 1,412 professional institutions with a total of 69,229 scholars. These scholars constitute .027 p.c. of the total population of British India. The corresponding figures for the other countries are the following :<sup>169</sup>

Japan	...	...	...	1.6	per cent
Germany	...	...	...	1.2	„
America	...	...	...	.61	„
Russia	...	...	...	.38	„
Great Britain	...	...	...	2	„

Sarkar's remarks on professional education in India are very frank, critical and instructive and are being quoted below :—

“Law and medicine constitute *the two leading limbs* of

professional education in India. Engineering as well as other industrial and commercial schools that constitute *the characteristic feature* of professional education in the great powers, have hardly acquired any prominence in the Indian pedagogic system. In any case, *the standard is quite modest*. It is doubtful if any of the institutions that exist reach, even in certain sections, the highest level such as is represented by the *Conservatoire* of Paris, the *Hochschulen* of Germany and the larger Technical Institutes of Great Britain.

"In the main, therefore, it may be said that higher technical and professional institutions *do not exist in India*. All the institutions of the Indian system belong to the *intermediate and lower rungs* of the great power standard."<sup>170</sup>

As regards general education, having regard to the age-groups, the educational facilities and the contents of teaching in India, Indian matriculates are regarded as equivalent to the primaries, Indian I.A., I.Sc., B.A. and B.Sc. candidates as equivalent to the secondaries and Indian post-graduates as of the same class as the under-graduates of the great powers.<sup>171</sup> Considered on that basis, the primary, the secondary and the under-graduate scholars in British India are pointed out as constituting 3·8, ·028 and ·0029 per cent<sup>172</sup> respectively of the whole population, the corresponding percentages for the great powers being the following<sup>173</sup> :—

			Primaries	Secondaries	Under-graduates
France	...	...	9·5	4·5	·13
Japan	...	...	16·7	4·8	·058
Italy	...	...	9·67	4	·075
Germany	...	...	14·1	8·4	·11
Russia	...	...	5·3	9·5	·05
America	...	...	19·3	16·5	·57
Great Britain	...	...	14·3	9·6	·12

170 *Comparative Pedagogics*, p. 70

171 *Ibid.*, pp. 57, 61 and 65.

172 *Ibid.*, pp. 61, 64, 67 and 68.

173 *Ibid.*, pp. 61, 64, 67 and 68.

The backwardness of general education in India is glaringly evident from the above figures.

The State expenditure on education in India per head of the population, as calculated by Sarkar, is said to amount to 8 annas, the amount of expenditure per head in the case of the great powers being said to vary from Rs. 29-6-4 in the case of the U.S.A. down to Rs. 2-4-3 in the case of Japan.<sup>174</sup>

### *Measures for improving Indian Education*

What are Sarkar's suggestions for the educational advancement of India?

His constructive ideas on education in India are mainly the following :—

First, great stress is to be laid on the establishment of artisans' and traders' schools.<sup>175</sup> Such schools, according to him, will have to be opened at the rate of at least 4 per district. The artisans' schools will store the latest improvements and chemicals that may possibly be utilised by the artisans and will aim at elevating our cottage industries to the stage that lies just above the one in which each craft finds itself at present. The schools for retail traders will try 'to expand the knowledge of markets, goods and prices at present possessed by our shop-keepers.' Both the schools may be located in one institution. The following are proposed to be the subjects of instruction in every school :—drawing and designing, machine practice, raw materials, chemical processes, and marketing. Special industrial and commercial subjects are also proposed to be included. But it is pointed out that the nature of the subjects to be taught in a particular school will depend upon the character of the locality in which the schools are to be set up. General culture subjects are not to be excluded. It is suggested that the full course will be completed in 3 years. Though it is said that the absence of literacy will be no bar, yet it is urged

174 *Comparative Pedagogics*, p. 74.

175 *Economic Development*, pp. 403-406; *Naya Banglar Goda-Patnan*, Vol. II, pp. 64-68.



that the full course will be open only to students who have read up to the Matric. Part-time courses or instruction in special subjects will be open to anybody and everybody, *i.e.*, there will be no test of literacy so far as these are concerned. The full-time scholars will be entitled to admission in existing higher technical colleges. One chemist, one mechanical engineer and one economist must exist in the higher staff of each school. It is suggested that Rs. 25,000 per year should be sufficient to run one such school with 250 students on the rolls.

Whom does Sarkar expect to start and manage these institutions? He expects that the people, or to be more exact, the technical experts trained abroad in order to act as pioneers of economic development, will start these schools with the help of public subscription.<sup>176</sup> The public, therefore, are expected to bear the necessary financial burden for providing the best educational basis for the economic advance of the country. But it is also said that, a year or two after the start, Municipalities or District Boards may be approached for grants-in-aid for recurring expenses.<sup>177</sup> The Provincial Governments also may be approached for periodical donations for effecting improvements in building and for workshop equipment, laboratory, library, etc.<sup>178</sup>

In this connection the attention may be drawn to the fact that Sarkar does not expect us to start big vocational schools at the very outset. He invites our pointed attention to the fact that Technical Schools are run in France even with Rs. 25,000 a year<sup>179</sup> and we are expected to learn from that example. We are also expected to learn a good deal from the example of Japan which is a past master in the art of showing excellent results from modest funds.<sup>180</sup>

176 *Economic Development*, pp. 405-6 and *Greetings to Young India*, p. 23.

177 *Economic Development*, pp. 405-6; *Ekaler Dhanadaulat*, Vol. I, pp. 349-351.

178 *Economic Development*, pp. 405-6; *Ekaler Dhanadaulat*, Vol. I, pp. 349-351.

179 Article on "Foundations of Economic Development," *Arthik Unnati* for 1926-27, p. 213.

180 Chapters on Education in Japan in the Volume of *Vartaman Jagat* dealing with that country.

The second notable item in Sarkar's ideas on the educational progress of India is that the standard of culture in India has got to be improved all along the line, *i.e.*, from primary to University education. But as 'we happen to find ourselves to-day on different fronts at points where perhaps the great powers were previous to 1875, say, somewhere between 1832 and 1872, 'we would be but crying for the moon if we were to be fired by the ambition to reach the American, British or the German level? For quite a long time yet' we should 'mediate on and strenuously work for the Japanese, Italian, any Russian co-efficients.'<sup>181</sup>

In his work on *The Post-Graduate University at Calcutta*, and especially in his "Memorandum on Post-Graduate studies," he offers detailed suggestions for improving the standard of post-graduate education in India. The main strands in his thoughts on that topic are, first, that the so-called specialisation now stressed in the Post-Graduate classes is to be removed,<sup>182</sup> and, secondly, that real specialisation is to be promoted for two years after the completion of the M.A. or the M.Sc. course.<sup>183</sup> For the Post-Graduate students in Commerce or Economics he expatiates on the importance of visits on their part to industrial and commercial establishments etc., and on the establishment of direct personal contact between such students and the leading industrialists, merchants, bankers, etc.<sup>184</sup>

The third mentionable item in his ideas on the subject under consideration is that efforts are to be made to induce a large share of the public funds being spent on education, for, according to him, nowhere do educational institutions depend exclusively or mainly on the donations of private citizens.<sup>185</sup> In this connection the educational problem of India is sought to be stressed as

181 *Comparative Pedagogics*, p. 104.

182 *Comparative Pedagogics*, pp. 110-11 and *The Post-Graduate University at Calcutta* (1929), pp. 42 and 46.

183 *Comparative Pedagogics*, p. 66.

184 *The Post Graduate University at Calcutta*, p. 53.

185 *Comparative Pedagogics*, p. 105.

indissolubly linked with the strengthening and the welfare of the British Empire. India, it is said, cannot function as an efficient limb of the British Empire unless, educationally speaking, Calcutta and Bombay are raised to at least a reasonable distance of Leeds and Birmingham. Hence, it is suggested that 'the protection and development of genuine Post-Graduate education even at a high price, *i.e.*, extra claim on the public revenues, should be considered to be an *Imperial necessity*.'<sup>186</sup>

### XI. *The Place of Self-help in Economic Development*

How far is the economic progress of India possible solely through private efforts, *i.e.*, without any State assistance? Sarkar thinks that a good deal may be done through self-help. "There is an extensive ground to be covered by self-help itself."<sup>187</sup>

A scheme has been drawn up by him chalking out the lines along which the efforts of private individuals and associations for the economic regeneration of India can be directed. That scheme divides the population of India into eight professional groups, *viz.*, the peasants, artisans, retail traders, industrial workers, land-owners, exporters and importers, moneyed classes, and intellectuals; and it seeks to point out the measures to be taken for the amelioration of each professional group, the fresh openings which lie within the reach of each of them, and also what are the directions in which the individuals belonging to each of them can exert their energies for their economic betterment. The drawing up of the scheme with an eye to the various economic groups is deemed necessary because 'the members of each professional group have identical or more or less similar problems to solve.'<sup>188</sup> The reason for the prescription of different economic remedies for different economic groups is made still clearer in the following passage: "There is *no universal panacea* which might be indifferently adopted by *all classes*. The doctoring of poverty must needs be *precise, personal, and individual* in order that it may be effective."<sup>189</sup> The scheme pre-

186 *Comparative Pedagogies*, p. 105.

187 *Economic Development*, p. 399.

188 *Ibid.*, p. 400.

189 *Ibid.*, p. 399.

supposes that every individual of each profession is to endeavour to rise to the next higher flight in his income by directing his efforts along the lines indicated in it. "The problem is for each individual to exert himself in his own sphere."<sup>190</sup> It is also contemplated that attempts for the amelioration of each profession are to be made in an organized manner and district by district. "Many of the ways and means, although of the humbler grade, lie within our grasp. Some of them are already being tried here and there. It is to be desired that the examples should be followed up in a more general manner, district by district."<sup>191</sup>

The main essentials of his scheme of "economic planning" as formulated in 1925 have been referred to already here and there in the course of our present treatment. We would, however, present it here in a tabulated form:<sup>192</sup>

#### 1. PEASANTS.

(i) Enlargement of holdings necessary—(a) to relieve agriculture of congestion and (b) to make landless labourers available for the industries (Enlargement of holdings is not possible without legislation and Government support).

(ii) New employments. These will be provided by cottage industries as well as the modern industries (small, medium or large). The cottage industries themselves will have to be modernized.

(iii) Co-operative sale, purchase and irrigation societies as well as co-operative banks. Propaganda for the spread of the co-operative movement to be started by the people and to be carried on through paid employees. Co-operation of the District Boards to be invited. Agricultural Banks (Government or private) necessary to provide the Co-operative Credit Societies with funds.

(iv) Organization of the sale of agricultural products through Producers' Combines.

190 *Economic Development*, p. 399.

191 *Ibid.*, p. 399.

192 *Ibid.*, pp. 399-416; *Ekaler Dhanadaulat* Vol. I, pp. 342-372.

## 2. ARTISANS.

- (i) Introduction of improved appliances
- (ii) Artisans' Schools.
- (iii) Handicrafts Banks.

## 3. RETAIL TRADERS.

- (i) Schools for retail traders.
- (ii) Shop-keepers' Banks.

## 4. INDUSTRIAL WORKERS.

(i) Organisation under strong unions necessary, first, to carry on bargains with the employers, and, secondly, to create recreational centres.

(ii) The organized workers to concentrate on the realisation of the following demands: insurance against accident, sickness and old age; improved housing and factory conditions; better treatment from managers; elastic wages schedule keeping pace with the prices; profit-sharing; a hand in the control of the workshops; educational facilities, both general and technical.

(iii) The right to strike—useful on occasions of serious differences of opinion with the employers when bargaining proves infructuous.

(iv) Co-operative Stores—to lower the cost of living.

## 5. RICHER LANDOWNERS.

The richer landowners as well as their sons and relatives must be induced to give up their idle life and 'to function as fresh creators of value.' The openings for them are :—

- (i) Large-scale farming;
- (ii) Modern industries;
- (iii) Export-import business;
- (iv) Insurance business; and
- (v) Banking.

## 6. EXPORTERS AND IMPORTERS.

(i) Banks for Foreign Trade—to help Indian exporters and importers both in India and foreign lands.

(ii) Overseas Insurance—to save the profits from foreign trade for Indians.

(iii) Commercial News Bureaus—to be started jointly by a number of exporters and importers in order to provide them with knowledge regarding the industrial, shipping, exchange and market conditions of foreign countries.

(iv) Schools for commercial subjects with special reference to foreign languages (French, German, Italian, etc.) the industrial geography of the world, and the technique of export and import to be started by the associations of the exporters and importers.

(v) Indian agencies in foreign countries—to be jointly established by the Indian export-import houses. A small Indian agency abroad costs Rs. 10,000 per year and it can be self-supporting within 3 years.

## 7. MONEYED CLASSES.

(i) Modern Industries. Large or giant industries with capital exceeding Rs. 250,000 would be usually beyond their capacity. But numerous industries may be started with capital ranging from Rs. 25,000 to Rs. 250,000. The industries will have to be run on the proprietary or partnership basis.

(ii) Export and Import Business. Foreign Trade Houses to be established on a proprietary basis with capital ranging between Rs. 10,000 and Rs. 25,000.

(iii) Insurance Societies.

(iv) Banking and Credit Institutions. The 5 types of Banks which may be started by the moneyed classes have been referred to already.

(v) Legislation against usury. Unreasonable conditions in regard to loans and exorbitant rates of interest to be penalised by legislation.

## 8. INTELLECTUAL CLASSES.

(i) New Professions. The intellectual classes will find employment as clerks, managers or technical experts in

industries, banks or insurance companies started by the Indian moneyed classes or with the aid of foreign capital.

(ii) Admission in increasing numbers into the higher technical and administrative services of the Government.

(iii) Cost of living to be lowered through Co-operative Stores and Housing Societies.

(iv) Matriculates belonging to the intellectual classes to be trained in the Handicrafts or Trades Schools and to be subsequently employed in the industries, banks etc.

(v) The intellectual classes to provide the foreign-trained pioneers for the economic development of each district.

This is the scheme of economic planning with which Sarkar came back to India in 1925 after a sojourn of nearly twelve years in foreign countries. And it is interesting that in spite of his intimate contact with the latest developments of the "great powers" and "industrial adults" in technocracy and high finance he fought shy of them while prescribing the proper course for his own country. His scheme was modest enough to refrain from indulging in the ambition of catching up to what he calls the countries of the "second industrial revolution" over-night. He was thinking all the time of just the "next stage" in our economic life.

About the origin of this scheme Professor Patrick Geddes wrote as follows in the *Sociological Review* (1927) of London: "With all his (Sarkar's) descriptive concreteness there are large and bold generalisations and frequent passages of social criticism and interpretation; and these ranging over France and Germany, from America to Japan, and of course from India to Britain, and home again: in fact leading up to a broad sketch of an economic policy, very comprehensive, for Young India." And according to the American economist Prof. Taussig, we have in this scheme "a large programme laid out in a statesmanlike way". Besides, as he remarked, what it aims to do would "tax to the utmost the capacity of any set of people." Unluckily for India, that "set of people" has not yet been forthcoming. But we are not interested

here in the execution of the plan, our aim consists simply in analyzing the ideas.

It is necessary to observe that Sarkar's ideas in favour of industrialism and modernization in technique were received with sympathy by the *Hindustan Review* (Allahabad), the *Servant of India* (Poona), *United India and Indian States* (Delhi), the *Hindu* (Madras), the *Mysore Economic Review* (Bangalore), the *Searchlight* (Patna), etc. The *Bombay Chronicle* observed as follows:—"We are in full agreement with the author's diagnosis of the disease and we approve of the prescription suggested. \* \* \* S. divides the population of India into eight groups and discusses with great ability the methods to increase their respective incomes".

It is in keeping with the above ideas of "economic planning", class by class or profession by profession, formulated in 1925, that Sarkar drew up in 1932-33 a programme of policies for *Deshonnati* (national welfare). The main items are detailed below in broad features in his own words:—<sup>193</sup>

### I. Rural Welfare Policy.

1. Utilization of the existing "developmental" institutions (sanitary, co-operative, economic, administrative, technical and educational) with a view to better the condition of the villages and raise the material and cultural status of the peasant, artisan and allied classes.<sup>194</sup>

2. Protecting the landowning (Zamindar) and money-lending (Mahajan) classes with a view to enable them to use their financial resources in the interest of agriculture, land-reclamation and rural industries.

193 "Realities vs. Pious Wishes in the Politics of Young Bengal" (*Forward*, Calcutta, 15 March 1933); *India Tomorrow* (Calcutta, November 30, 1933); *Naya Bangla*, Vol. II, (1932), pp. 434-35.

194 At a largely attended public meeting of the "Malda in Calcutta" Society he invited the attention of the audience to the important clauses of the Bengal Agricultural and Sanitary Improvement Act of 1920 by virtue of which it would be possible, for instance, to excavate new channels or re-excavate old channels in the villages (*Amrita Bazar Patrika*, 3 March, 1934).



## II. *Economic Policy*

1. Promoting the industrialization of Bengal: (a) by mobilizing (i) Zamindari capital, (ii) Mahajan capital, and (iii) Chashi capital (through co-operative societies and savings banks), as well as (b) by (i) state aid and (ii) import of foreign capital.

2. Compulsory sickness insurance among all wage-earners and salaried persons.

3. Legislation (i) to reform the Hindu and Mussalman laws of inheritance and partition in regard to land, (ii) to introduce the principle of "selected heirs" such as can be authorized to buy out the co-sharers, and (iii) to facilitate the consolidation of holdings.

4. Appointment of a permanent Bureau of Economic Development for investigations, research and counsel on current problems.

## III. *Sanitary Policy.*

Enactment of Public Health Act.

## IV. *Social Policy.*

1. Expansion of opportunities for Mussalmans, the depressed classes, and aboriginals in every sphere of life's interests.

2. Appointment of a permanent Bureau of Social Development (Races, Castes and Religions) as an organ of public administration.

## V. *International Policy.*

1 Establishment of Bengali trade agencies in foreign countries in order to promote the sale of Bengal's agricultural produce.

2. Appointment of Economic Commissions in foreign countries to facilitate the import of machineries and capital on favourable terms.

3. Utilization of the Empire Development and allied schemes (tariff, currency, etc.) in India's interest.

## XII. *The State and Economic Progress* *Co-operation with Government Essential*

While Sarkar thinks that a great deal may be done through self-help, at the same time he holds the view that co-operation with Government is indispensable for the economic development of India. "In certain problems of economic development co-operation with Government is an absolute necessity."

Economic development is not possible without advanced economic legislation. Nor, without adequate funds. The first is impossible of attainment through private efforts. And the second cannot be obtained in an adequate measure if we depend upon private sources alone. For these reasons, co-operation with the Government is thought as indispensable. This idea is forcibly stressed in the following passage :

"The help of the Government will have to be sought in almost every item that is considered essential in the scheme of economic development. For certain purposes, we need special economic legislation, and grants-in-aid from Government, provincial or local, Corporations and District Boards, will be required for new industries, industrial research as well as technical and commercial schools in the districts and so on."<sup>195</sup>

The Scheme of Economic Development drawn up by Sarkar contemplates what can be done through the efforts of the people themselves. Even that scheme comprises items which cannot be realized through self-help alone. For instance, one of the items in the scheme is the enlargement of the holdings for the amelioration of the peasant. But that object cannot be realized without appropriate legislation—which pre-supposes the utilization of the legislative machinery of the country towards that end.

Not only is co-operation with Government thought to be necessary, but the aloofness from the measures undertaken by the Government for the economic betterment of the people, such

as the establishment of the Co-operative Societies or Experimental Farms, is strongly denounced.<sup>196</sup>

In all these matters Sarkar refuses to be guided by common catch-words or to be tyrannised over by empty platitudes, his sole test being—whether India is or is not likely to be benefited by a particular measure, no matter by whom it is initiated or whether a third party is likely to profit by it.<sup>197</sup>

That is why he supported the appointment of the Royal Agricultural Commission even though he thought that the Britishers might gain something from it, because he expected that India also would to some extent be benefited by it. "The very prospect of Great Britain gaining something out of the transaction, can, therefore, be no excuse for our denouncing it. Like practical businessmen the people of India must welcome anything and everything that brings some substantial benefit to the country, no matter if others also profit by it at the same time."<sup>198</sup>

In every modern country shipping is an important branch both of commerce and industry.<sup>199</sup> India is very deficient in this line of enterprise. Sarkar however does not expect that Indian shipping can possibly develop without Government aid. "Much has and remains to be done by people themselves. But in the little thought that I have been able to devote to the question of mercantile marine of the world it appears to me that this item of a people's economic venture owes its life, growth and expansion pre-eminently and almost by nature to the friendly, pioneering and self-sacrificing solicitudes of the Government."<sup>200</sup> According to him, then, an Indian mercantile marine cannot develop without adequate State assistance.

Large developmental or social service schemes cannot be undertaken by the Government without adequate funds. It is for this reason that Sarkar seeks to educate the public to contribute greater funds to the State Exchequer through taxation in

196 *Economic Development*, p. 400; *Greetings to Young India*, pp. 48-49 and pp. 94-95; *Naya Bangla*, Vol. I, pp. 262-265, Vol. II, 431-435.

197 *Greetings to Young India*, pp. 50-51.

198 *Ibid.*, p. 51.

199 *Ibid.*, p. 149.

200 *Ibid.*, p. 150.

order to advance their own economic interests. "If Young India wants that the State should look to education, sanitation, social insurance, the protection of the widow, and all other measures described generally as 'developmental functions,' our theorists as well as practical statesmen cannot fight shy of popularizing among the masses and the classes the privilege of contributing to the public revenues in a handsome manner."<sup>201</sup>

### *Democratization and Indianization*

Sarkar holds that economic medicines alone are not sufficient for the cure of economic ills. "The cure for 'stomach trouble' is not all economic."<sup>202</sup> "For even economic diseases there is a political medicine."<sup>203</sup> Hence, he lays great stress on 'the importance of the State as a machine for the economic re-making of the people.'<sup>204</sup>

This is instanced by what has happened in England and other countries.

"The transformation of the laws of property and other civil laws by which the poorer classes have been enabled partially to communalize the inheritance of landed estates and other wealth as well as enjoy the right to administer to a certain extent the workshops, factories, etc., have also been accomplished not by the so-called economic methods, but by ways and means that are 100 per cent political. Politics has indeed been the most spiritual force in the movements that have led the industry to be democratized and earnings of labour placed on a human level. It is the political machinery, command over the State, influence over the Courts of Justice, nay, power over the actual administration—that have enabled the working and cultivating classes of England and other countries to enjoy the little sunshine, the few 'ultra-violet rays' that they can to-day in the twentieth century."<sup>205</sup>

201 *Greetings to Young India*, p. 157.

202 *The political Philosophies since 1905*. p. 359.

204 *Ibid.*, p. 359.

203 *Ibid.*, p. 358.

205 *Ibid.*, p. 357.

Hence we are expected to learn the lesson that the question of the further political progress of India is a factor which cannot be altogether left outside a programme for the economic development of India.

And it is particularly pointed out that control over the currency, tariff, shipping and railway policies, is not possible without the democratization of the Government. "Until the administration is more democratized, *i.e.*, Indianized, virtually nothing can be expected in these directions."<sup>206</sup>

For these reasons he puts forward the advice that, for the sake of the economic development of India, Indians should concentrate on acquiring 'command over the law, the constitution and the public finance.'<sup>207</sup>

### *India and the British Empire*

It is generally held that the economic connection of India with Great Britain has always been to the detriment of the former. Sarkar however does not subscribe to this commonly accepted view. He rejects the theory of exploitation and holds that just as India is drained of her raw materials or her foodstuffs through her connection with Great Britain, similarly India has been draining Great Britain of her capital, her organizing ability and her expert training for her own development. "If Indian agriculture is being exploited by Great Britain, no less are British talent, British organizing ability and through them the world-market being exploited by the Indian people in and through the same agency. Command over Indian raw produce is certainly a great advantage for Great Britain, but the creation of a steady and expanding market for the goods produced by Indian muscle is no less significant an instrument in the struggle for existence assured to India by British industrial organization. The *exploitation of Great Britain's material and moral resources* by Young India is *one of the greatest facts of modern civilization*."<sup>208</sup> The same idea is

206 *Economic Development*, p. 417.

207 *The Political Philosophies since 1905*, p. 359.

208 *Greetings to Young India*, pp. 70-71.

vigorously presented in the another striking passage where we are asked to remember that "while jute, cotton, oil-seeds, and hides and skins are being shipped to foreign countries *we ourselves have been draining foreign countries* of their machineries, tools and implements, scientific apparatus, motor lorries, rolling stocks and so forth for our own economic development."<sup>209</sup>

Even in future he believes that the supply of British capital would prove of immense help in furthering the industrialization of India. And hence he advises that a more intimate touch with the London money market is necessary and that a special propaganda should be carried on in London to prevent the increasing diversion of the flow of British capital from India into the Dominions—which have but limited capacity for its absorption.<sup>210</sup> "More British capital will imply more prosperous peasantry, more organized and efficient labour, more self-conscious middle class and, paradoxically enough, more *Swaraj*."<sup>211</sup>

He also holds the view that the movement for the establishment of the British Empire on an economically self-sufficient basis—however that self-sufficiency be impracticable—should be availed of for the economic advance of India. "The British Empire is a legal and political unit. The problem of Empire Development consists in transforming this unit into an economic entity, self-sufficient so far as it is practicable." From the Indian angle we have only one problem to discuss in this connection, 'Is there anything in all these recent British Schemes likely to be economically beneficial to India?' Accepting that the relations between India and England are those of mutual exploitation, he puts forward the idea that the problem of Empire Development is nothing more or less than that of 'promoting this mutual exploitation more extensively and intensively according to the changed circumstances of the day.'<sup>212</sup>

209 *Greetings to Young India*, p. 121.

210 *Ibid.*, pp. 95 and 160.

211 *Ibid.*, p. 75.

212 *Ibid.*, pp. 70, 71 and 75; *Imperial Preference vis-a-vis World Economy* (Calcutta 1934).

A suggestion is offered that a Ministry of Economic Development should be established in Delhi to discharge two principal functions, first, to organize the economic advance of India along the best possible lines, and secondly, to keep India in touch with the economic development of the British Empire. The suggested Ministry is expected to keep in touch with the British Empire through a Bureau to be established in London.<sup>213</sup>

### XIII. *Labour in India*

It has been pointed out already that the strength and expansion of the labour class is regarded as important from the political standpoint because, according to him, the structure of a modern democracy can be raised only on the foundations provided by a large, self-conscious, virile and organized labour class. A strong labour force is also considered of importance in carrying on bargains with the capitalist class.<sup>214</sup> Further, the very fact of large numbers of men being employed in factories, workshops, etc., is held up as a factor of tremendous educational and spiritual importance.<sup>215</sup> Lastly, though the intellectual and the moneyed classes are regarded as helpful in the ushering in of the great economic India of the future, yet, it is the labour force that is regarded as the backbone of the future society. "The contributions of the middle class to India's progress are not to be belittled. Nor are the services from the side of the agricultural people of a mean order. But I venture to believe that it is the working men of the factories—persons trained in instrumental thinking and practice, persons used to discipline *en masse*, to habits of punctuality, co-ordination and team work in the workshops, persons organized in self-determined unions for the economic and cultural uplift of their own class—that constitute *the real backbone of the great society that is making its appearance in India.*"<sup>216</sup>

213 *Greetings to Young India*, pp. 117-118.

214 *Economic Development*, p. 406.

215 *Ibid.*, p. 407; *Ekaler Dhanadulat* Vol. I, pp. 70-105.

216 Article on "The Earnings and Social Values of Clerical Labour," *J.B.N.C.* June, 1928, pp. 162-163; *Naya Bangla*, Vol. I, pp. 108-144.

Hence, he notes with considerable satisfaction that in India there are already 1,500,000 factory labourers,<sup>217</sup> that some of the biggest factories employ as many as 25,000 workers,<sup>218</sup> that the labourers have learnt how to act unitedly and also to declare strikes in order to realize their demands from the employers,<sup>219</sup> and also that they have begun to voice forth their grievances through journals some of which are conducted by themselves.<sup>220</sup> In other words, his satisfaction is derived from the fact that Indian labour is already a force of some importance in the industrial arena of modern India.

But he notes with deep depression that, compared with the size, strength and achievements of the labour class of Eur-America, those of India are very poor indeed! France which is three-fourths of the size of Bengal, possesses 5,000,000 labourers, while India with a population of 320 millions has only 1,500,000 to her credit.<sup>221</sup> And, probably not more than 500,000 can stand comparison with the workers of Eur-America in point of vigour, efficiency and self-assertion.<sup>222</sup> The weakness of Indian labour can be further gauged from the fact that it has but commenced to master the principles of socialism and labour philosophy which prevailed in the Europe of 1870.<sup>223</sup> Further, while the trade union movement has but recently commenced in India, Eur-American labour has not only well mastered the art of organizing itself in trade unions, but has, in some countries (Germany, Czechoslovakia and Austria), already entrenched itself within the inner walls of factories, workshops, railways, offices, etc.,—private or public—by winning the right of wielding powers of control and management on an equal footing with the employing

217 "The New Democracy in the Labour World," *Arthik Unnati* for Dec. 1927, p. 696.

218 *Economic Development*, p. 341.

219 *Ibid.*, p. 340.

220 *Ibid.*, p. 344.

221 "The New Democracy in the Industrial World," *Arthik Unnati* for Dec. 1927, p. 696.

222 *Ibid.*, p. 697.

223 *The Pressure of Labour upon Constitution and Law*, p. 54.



class, including the State itself.<sup>224</sup> The backwardness of Indian labour is further evident from the fact that India is far behind Eur-America in respect of industrial insurance, and also in regard to the standard of wages, factory and housing conditions, etc.<sup>225</sup>

The weakness and backwardness of the Indian labour movement is traced to two causes—first, the smallness of the number of labourers in India,<sup>226</sup>—that being itself due to the backwardness of Indian industrialism, and secondly, the lack of compulsory, universal and free primary education in India.<sup>227</sup>

India, it is said, cannot claim to be fully civilized so long as she is backward in her labour force. “As long indeed as her power of the working classes organized in unions is not felt by the Indian employers and the moneyed classes in industrial and social life, India cannot be described as civilized or cultured in the latest sense.”<sup>228</sup>

Hence he thinks that one of the greatest benefits to the country can be conferred by those who interest themselves in advancing the interests of the working classes and in organizing them. “Those intellectuals who will choose to serve the interests of this new class of the Indian population (i.e., the workers) will rank among the greatest of patriots.”<sup>229</sup>

#### XIV. *Social Questions*

##### *The Economic Independence of Women—The Economics of Widowhood*

Sarkar thinks that the economic development of our country would not be as rapid or as satisfactory as it might be, if women

224 “The New Democracy in the Labour World,” *Arthik Unnati* for Dec. 1927, p. 699.

225 *Economic Development*, p. 340. Also the article on “The Beginnings of Social Insurance in the World,” *Arthik Unnati* for Aug. 1928, pp. 458-468.

226 *Economic Development*, p. 341.

227 *Ibid.*, p. 343.

228 *Greetings to Young India*, p. 123.

229 *Economic Development*, p. 407; “The Workingman in India and National Welfare” (*Bengal Nagpur Railway Employees Journal*, Calcutta, 1932-33); “Socialism, Capitalism and National Welfare” in *Arthik Unnati*, February, 1934.

do not act as active economic agents by participating in the various professions and thereby adding to the stream of national values.

By taking to the various professions women would have the way for their own economic independence and would also be contributing materially to the enrichment of the country.

It is pointed out that in Germany women serve as doctors, lawyers, journalists, writers and of course as farmers, and that there are ample facilities there for training women as house-keepers, maid-servants, cooks, nurses, doctors', chemists' or engineers' assistants, dress-makers, embroiderers, metallographists, illustrators, etc. Our attention is also drawn to the fact that in the U.S.A. and Great Britain women serve in various professions and in various capacities.

It is urged that in any endeavour for the economic advancement of India, the knowledge of how the Germans fit their women for the various professions as also for their day-to-day domestic duties and the very high standard of instruction and training they enforce for the purpose, is likely to be highly beneficial.

The objection might be raised—"Our women might require training in technical lines, but they require no training whatsoever for house-keeping; for, the training imparted by our mothers and grand-mothers is more than sufficient for the purpose. Besides, we do not require nursing homes like the Europeans; hence Indian women have but limited scope for acting as nurses. Are not our mothers, wives and sisters our natural nurses?"

To this objection Sarkar's reply is that it is nothing but our mental lethargy and lack of sympathy for our womanhood, that is responsible for our antipathy to European training or institutions which are likely to enhance the efficiency of our women and also to make their lot better. In Germany also at one time there was an opposition to schools for domestic science but that antipathy has long died away. And it is pointed out that a well-trained German house-keeper (*Hausfrau*) is such that it will be difficult

for an Indian or a Bengali woman to approach her in efficiency or assiduity. And as regards nursing institutions he thinks that the establishment of such institutions would make for our added comfort, would lessen the unnecessary strain and burden imposed on our women-folk and would create a new opening for livelihood for many of our helpless sisters.

One might argue, "Why should we imitate Eur-America in the movement for the economic independence of women? Are our women in any way inferior to those of Eur-America?"

To a question like that Sarkar's reply amounts to this that there is no innate superiority or inferiority as between the women of Eur-America and Asia. The former, in spite of their gloss because of their independence and culture, are as essentially feminine, as home-loving and as fond of affairs relating to love, marriage and the gentle art of cooking, as the latter. And, it is pointed out with emphasis, that even up till the 19th century Eur-American women were as backward and in as great a lack of freedom as their sisters of India, China or Japan.

But, notwithstanding this fact of fundamental similarity and equality of lot in the recent past, it is a historical fact that the modern movement for feminine emancipation has taken its rise in Eur-America, and that the economic aspect of that movement embraces two principal items—control of women over property and the participation of women in the professions on equal terms with men. And it is opined that, just as in the case of other movements which are contributing to the up-building of modern India, similarly in the case of the movement for the economic independence of women, we have perforce to tread in the footsteps of Eur-America, not because of any inherent superiority in Western women, but because of the stern fact that they just happen to be ahead of us for the moment.

It should, however, be noticed that though the economic independence of our women is considered as necessary for the material welfare of the country, that does not necessarily mean that India's economic development is considered as wholly or mainly dependent upon that. Sarkar holds that the economic

development of India will be the resultant of many factors of which the economic independence of women is but one and of which better land-laws, provision for high-class technical training, etc., are the others.

The condition of destitute widows in India is deplorable. What solution have we to offer to meet this tremendous social problem? The training of women for one or other of the various professions is no doubt one remedy. But another remedy, to which our attention is drawn, is that of bringing all widows under the care of the State and maintaining them with State funds. That remedy is pointed out as having been already adopted in countries like Germany and Great Britain, and, though with the present poverty of the country such a step is not considered a question of practical politics, yet it is held that that remedy will have to be adopted to place widows above want and thus to enable them to lead free and respectable lives. And the introduction of widows' pensions is likely to be beneficial in another way, *viz.*, that it will add tremendously to the sense of security of the workers by relieving them of all anxiety on the score of their wives' fortunes in the case of their earlier demise.<sup>230</sup>

### *Service in General, Clerical Service and Government Service*

Earning one's bread by service is looked down upon in contemporary India. And the advice is trotted out in season and out of season that people should take to some independent business.

It is pointed out by Sarkar that in modern communities almost every member of the intellectual classes is but an employee in some capacity or other, in one concern or other. The reason is that

<sup>230</sup> "The Modern Woman in the Economic World," *Arthik Unnati* for January, 1928, pp. 774-189; "The Earnings and Social Values of Clerical Labour," *J.B.N.C.* June, 1928, p. 153, *Economic Development*, p. 126, and Chapters on American Women in the Volume of *Vartaman Jagat* on the U.S.A.; *Naya Bangla* Vol. I, pp. 144-147; *Ekaler Dhanadulat* Vol. I, pp. 46-69. See also Dutt: "Woman in the Economic Life of Bengal" in *Arthik Unnati*, December, 1933.

almost every modern economic concern is owned by a large number of shareholders who themselves are engaged as workers in other concerns, and are controlled by managers, directors, etc., who again are nothing but paid servants of the company.

The current prejudice against Government service as such, is strongly condemned. The public condemnation, silent or vocal, of "the very large number of qualified, well-disciplined and intellectually advanced classes of our countrymen such as these Government officers generally are" has resulted, says he, in a demoralization in the ranks of the Government servants which has been inflicting a heavy loss upon the country. He points out that Government service as such is in no way inferior to other kinds of public service, but is, on the contrary, superior in many respects. "I wonder," says Sarkar, "if there are many people who will be bold enough to suggest that Government service is, if at all, more demoralizing than service in an industrial plant or trading office, Swadeshi or foreign." We might also note here that Government servants, whether ministerial officers or otherwise, are asked to contribute substantially to the welfare of the country by interesting themselves in non-political matters, such as physical culture, sanitation, literary endeavours, women's welfare, etc.

The amelioration of the condition of the clerks is envisaged as but a part of the wider problem of labourers in general. Clerks are asked to remember that no distinction is made in the modern world between manual and intellectual workers. Hence, they are asked to further push on the process of their unionization which has already commenced in contemporary India, for the effective realization of their demands, such as those for basic wages, leave, pensions, allowance etc. They are also asked to keep themselves abreast of the latest developments in the contemporary labour world and to aim at the world standard of efficiency in clerical service. Further, they are called upon to get rid of their prevailing pessimism and apathy born of an under-estimate of their own worth and importance. And, in this connection, they are particularly required to remember that some of the greatest sons of India have hailed from the families of clerical officers. "The persons who have been

the most prominent in the remaking of India in different lines are not the sons and relatives of mighty maharajas and millionaires. 'Aye! some of the greatest men of modern and contemporary India have been born in the cottages of ministerial officers and the clerical proletariat.'<sup>231</sup>

### *The Chamber of Commerce Movement*

Chambers of Commerce constitute a valuable aid to the development of commerce and also to the general economic development of a country. The various functions discharged by a Chamber of Commerce in addition to the primary one of uniting the merchants under one common organization, are pointed out to be the following :—

In the first place, a Chamber of Commerce can disseminate among its members as well as among the public accurate information in regard to the marketing facilities for Indian goods in foreign countries as well as the industrial, banking, insurance, customs, currency and transportation conditions and economic legislation prevailing abroad.

In the second place, information of all sorts regarding the money market, raw produce, exchange, railway and shipping rates, price movements, labour conditions, technical improvements, etc., in the different localities in the country can be catered to the members by a chamber functioning, as it should, as a clearing house of statistical and commercial intelligence.

In the third place, the business states of firms in different places, the financial worth of agents, the reliability of co-sharers and order-suppliers and such other items of a confidential character can be rendered accessible to members through a chamber at reasonable expenses and in as quiet a manner as possible.

Fourthly, a Chamber of Commerce can be used as a court of arbitration for trade disputes between firms that are its members.

<sup>231</sup> "The Earnings and Social Values of Clerical Labour," *J.B.N.C.* June, 1928, pp. 145-164.

Last but not least must be mentioned the political services of a chamber. "As an important public body representing the varied wealth of the land, its relations with the Government can grow to be close. It can acquire a voice in the making and amendment of laws. . . . Both in regard to taxes as well as the tariff matters which affect every industrial and commercial transaction, a chamber is the most adequate and efficient medium for a firm's intercourse with the Government, especially when the firm is of humble dimension or located in the villages or sub-divisional centres."<sup>232</sup>

Our attention is also drawn to the fact that the Vienna Chamber of Commerce acts as an institution for imparting instruction in economic and technical subjects and that it offers two months' courses in general economics, industrial subjects, such as photography, printing, installation and handling of machines, etc., banking and book-keeping, stock exchange and foreign languages and one year's courses in shoe-making, carpentry, book-binding, carriages, manipulation of metals, electrical technology, etc. We also learn that the Viennese captains of industry have found it paying to carry on such schools.<sup>233</sup>

Chambers of Commerce thus can play a great part in the commercial and economic advancement of a people. But even now 'we are far behind the rest of the civilized world in the Chamber of Commerce movement.' And the reason for that is said to be that 'our exporters, our retail traders, our banks and loan offices, our insurance societies, our chemical works, our mechanical and engineering firms are hardly aware of the services that a Chamber of Commerce can possibly render to the members concerned and to the business community at large.'<sup>234</sup>

232 Speech on the Federation of the Indian Chambers of Commerce in *Greetings to Young India*.

233 Chapter on "The Vienna Chamber of Commerce—its Educational Activities," *Economic Development*, pp. 288-294.

234 Speech on 'The Federation of Indian Chambers of Commerce' in *Greetings to Young India*.

## XV. *The Intelligentsia and Economic Life* *The Duties of Indian Economists*

Sarkar is of opinion that Indian economists can render help for the economic development of India in two ways:—first, by studying the ways and means for the production of wealth resorted to in the various countries of the world and by drawing the attention of the public towards them;<sup>235</sup> secondly, by holding up before Indian merchants, industrialists, workers, etc., the various tendencies in the contemporary economic and industrial world;<sup>236</sup> and thirdly, by arousing in our countrymen a keen zest for economics and also by actually spreading the knowledge of economics far and wide.<sup>237</sup>

As he points out with great sadness, the knowledge of Economics among our people is poor. "The Bengalis are backward in economics."<sup>238</sup> It is only recently that a new spirit of investigation, a laudable independence of outlook and a pleasing variety of ideas have to some extent appeared among the rising Indian economists of the day.<sup>239</sup> The poverty of our knowledge in economics is traced to three main causes—first, the absence of touch with those who actually carry on the various economic operations and activities; secondly, the lack of standard works on economics in the vernaculars; and thirdly, the absence of a sound knowledge of mathematics.<sup>240</sup>

Sarkar holds that Indian economists are much too engrossed with the idea of opposing the British view-point and, paradoxically enough, they are at the same time very much under the spell of British ideals and forms. The charge is also made that Indian

235 Bengali pamphlets on "The Methodology of Research followed by the Arthik Unnati" and on "The Establishment of the Bangiya Dhana Vijnan Parishat."

236 The programme of *Arthik Unnati*, Section 3.

237 Pamphlets on "The Establishment of the Bangiya Dhana Vijnan Parishat," and on "The Methodology of Research of the Arthik Unnati."

238 Pamphlet on "The Bangiya Dhana Vijnan Parishat."

239 Introduction to *Ekaler Dhanadaulat O Arthashastra*.

240 Pamphlet on "The Bangiya Dhana Vijnan Parishat," pp. 3-8.



economists do not envisage that theirs is the task of suggesting ways and means for building up India into a great economic power.<sup>241</sup>

In order that Indian economists may rise above the faults of this formal and often meaningless opposition and slavishness and in order that Indians may discover for themselves the science and art of developing the country into a world power in the economic sphere, Sarkar offers the advice that Indian economists should occupy themselves with the study of extra-Indian questions and problems.<sup>242</sup>

### *Economic Journalism*

The journalists are viewed as having a great mission to fulfil in the economic development of India. It is for them to point out how each and every class and profession is progressing or falling back in the struggle for existence. It is their duty also 'to describe realistically, item by item, all the little incidents that constitute the life, the growth and the development of the different professional, occupational or functional groups of the population.' But, according to Sarkar, they have failed to discharge these duties. They do not take note of or appreciate "those smallest particulars which constitute the complex entity called 'life.' " Many economic events or changes of first-class importance are allowed to pass by unnoticed. For example, it is complained that the development of Calcutta under the auspices of the Calcutta Improvement Trust, the rise in the price of fish in Calcutta and the effects and problems it has given rise to, the advent of educated Bengalis in increasing numbers into Indian foreign trade, etc., are items which were conspicuous by their absence in the columns of Indian papers during Sarkar's stay abroad, i.e., from 1914 to 1925.

Moreover, while India has already made a mark in contemporary commerce and industry, that fact has been hardly noticed

241 *Economic Development*, pp. 146-148

242 *Ibid.*, pp. 148-149, also pp. 155-156.

in Indian journals. "India to-day is not the exclusive market for the manufacturers of any favoured country but bids fair to be a self-conscious, critical and discriminating limb of the world market." This being the stern fact, Sarkar naturally complains that 'it is rather curious that the developments in actual life should have failed to influence the journalism and the literature of the land in an appreciable degree.' The reasons for this deplorable backwardness of Indian journalism are pointed out to be, first, that business men themselves 'have perhaps hardly the inclination or the leisure . . . . to contribute to journalism on special lines', and secondly, that the journalists themselves do not possess sufficient knowledge of business or industrial technique.<sup>243</sup>

### XVI. *Resumé*

As shown above, Indian agriculture has begun to be modernized, however slow be the rate of progress. The establishment of modern industries is going on apace, however small be these industries in comparison with those of Eur-America. Indians have commenced to take their rightful place in the world of Indian commerce. Besides, a silent class revolution has been going on and the lower classes are being improved culturally and economically and are being lifted up in the social scale with a resulting expansion of the middle class.<sup>244</sup> The theory that the India of to-day is poorer than the India of the mediæval period is rejected as nothing but a myth.<sup>245</sup> It is urged on these grounds that India 'has been advancing along right lines.'

Though the situation does not altogether appear to be depressing, yet the lesson is constantly borne in upon us that the advanced nations are ahead of us by at least fifty years, if not more. India,

<sup>243</sup> Speech on Economic Journalism in *Greetings to Young India* and chapter on "Journalism in Commerce and Manufacture," *Economic Development*, pp. 351-358.

<sup>244-45</sup> Speech on "The Philosophy of the Naughty," in *Greetings to Young India*; *Naya Bangla*, Vol. I, pp. 213-241; "The Economic Remaking of Bengal" (*Insurance and Finance Review*, Calcutta, November, 1933).

therefore, will have to cover up a long distance before she can aspire at least to proceed neck-to-neck with them. It will not do to turn our face away from the prosperity of the advanced nations with a hypocritical contempt for worldly prosperity. Our present undoubted inferiority in the economic sphere has got to be wiped out. And the way to achieve this is to modernize our economic life more or less along the lines chalked out by Sarkar. It is not possible that we shall agree with every element in his ideas, or even with most of his ideas. But we can at least assimilate the essence of his teaching on the subject, *viz.*, that Eur-America has got to be frankly accepted by us as our *guru*, *i.e.*, India's material life has to be broad-based on the best teachings and principles of the modern world if India is to advance rapidly along the path towards worldly prosperity.<sup>246</sup>

246 *Naya Bangla* Vol. I, pp. 176, 237-241, Vol. II, pp. 26-28, 423-31; *Applied Economics*, Vol. I, pp. 221, 224, 290, 292, 298; "The Bengali People in the Course of Expansion" in *Arthik Unnati* (January-February 1934); "The Economic Expansion of the Bengali People" (*Insurance and Finance Review*, February, 1934).

## Appendix II

### Sarkar on Economic India Vis-à-vis World-Economy in French, Italian and German Journals\*

Under the auspices of the *Institut National Genevois* and the University of Geneva Sarkar's ideas on the industrialisation of India and the relations of economic India with world-economy constituted some of the topics of the Swiss press in November 1929 and January 1930, for instance, of *Le Journal de Geneve*, *La Suisse*, *La Tribune de Geneve* etc.

During 1930 these views were communicated to the German economic world through such journals as the following: *Münchener Neueste Nachrichten* (Munich, March-April), *Münchener Zeitung* (Munich, April-May), *V. D. I. Nachrichten* (Berlin, April), *Süddeutsche Sonntagspost* (Munich, April), *Leipziger Neueste Nachrichten* (Leipzig, April), *Bayerische Industrie und Handels-Zeitung* (Munich, April), *Nürnberger Zeitung* (Nürnberg, April), *Geopolitik* (Berlin, September), *Württembergische Zeitung* (Stuttgart, November), *Neues Tageblatt* (Stuttgart, November), *Süddeutsche Zeitung* (Stuttgart, November), *Industrie und Handels Zeitung* (Berlin, November), *Schwäbischer Merkur* (Stuttgart, November), *Badische Presse* (Karlsruhe, December), *Nürnberger Zeitung* (Nürnberg, December).

During 1931 the following among other German journals took interest in these views:—*Westfälische Neueste Nachrichten* (Bielefeld, January), *Westfälische Zeitung* (Bielefeld, January), *Westdeutsche Wirtschaft* (Bielefeld, January), *Mindener Tageblatt* (Minden, January), *Hannoverscher Kurier* (Hannover, January), *Westfälische Neueste Nachrichten* (Bielefeld, January), *Volksblatt* (Würzburg, January), *Würzburger General-Anzeiger* (Würzburg, January), *Neue Bayerische Landes-Zeitung* (Würzburg, January), *Geopolitik* (Berlin, February), *Bergische Zeitung* (Solingen, February), *Solinger Tageblatt* (Solingen, February), *Neue Augsburger Zeitung* (Augsburg, March), *Augsburger Neueste Nachrichten* (Augsburg, March), *Fränkischer Kurier* (Nürnberg, April), *Dresdner Neueste Nachrichten* (Dresden, July), *Dresdner Anzeiger* (Dresden, July), *Essener Volkszeitung* (Essen, September), *Sozialistische Monatshefte* (Berlin, February, 1932, July 1932).

\* Sarkar: "Geneva Complex in World-Economy" (*J.B.N.C.* June, 1931), "Contacts with Economic Italy" (*J.B.N.C.* June and December, 1931), "Industrial Centres and Economic Institutions in Germany" (*J.B.N.C.* September, 1931).

See also the footnote to p. 131.

During this period Sarkar's papers in German appeared in the following journals :—*Deutsche Rundschau* (Berlin), *Forschungen und Fortschritte* (Berlin), *Bayerische Industrie und Handelszeitung* (Munich), *Weltwirtschaft* (Berlin), *Wirtschaftliche Nachrichten* (Vienna), *Berichte über Landwirtschaft* (Berlin), *Neumanns Zeitschrift für Versicherungswesen* (Berlin), *Bankwissenschaft* (Berlin), *Zeitschrift für Geopolitik* (Berlin), *Maschinenbau* (Berlin), *Karlsruher Akademische Mitteilungen* (Karlsruhe), *Magazin der Wirtschaft* (Berlin), *Allgemeines Statistisches Archiv* (Jena), *Ausland-kundliche Vorträge der Technischen Hochschule Stuttgart* (Stuttgart, A Series of Books on World-Economy), *Kölner Zeitschrift für Soziologie* (Cologne). Reference may be made in this connection to the *Mitteilungen der Deutschen Akademie* (Munich), for February 1930, April 1930, August 1930, and February 1931, in which Sarkar's lectures in German and Austrian Universities are described, as well as to "Economic and Social Developments in Modern India in the Perspective of World-Economy" (J.B.N.C. March 1932), in which the titles of 81 lectures delivered in German as regular Guest-Professor at the Technische Hochschule of Munich are tabulated in English.

The contacts of Sarkar's ideas with the economic world of Fascist Italy were brought about in 1930 by the following among other journals : *L'Ambrosiano* (Milan, February), *L'Italia* (Milan, February), *Corriere della Sera* (Milan, February), *Il Sole* (Milan, February), *La Sera* (Milan, February), *La Provincia di Padova* (Padua, February), *Gezzettino* (Venice, February), *Il Veneto* (Padua, February), *Vedetta Fascista* (Vicenza, February), *La Provincia di Bolzano* (Bolzano, March), and in March 1931 by such journals as the following of Rome : *Il Giornale d'Italia*, *Il Lavoro Fascista*, *Il Popolo di Roma*, *Il Messaggero*, *La Tribuna*, etc.

Sarkar's Italian writings have been published in *Giornale degli Economisti e Rivista di Statistica* (Rome, 1920), *Annali di Economia* (Milan, 1930), *Commercio* (Rome, 1931) and in the Proceedings of the *Congresso Internazionale per gli Studi sulla Popolazione* (Rome, 1931), at which he was a President of the Economic Section and, besides, read a paper in Italian.

## Chapter VII

### Conclusion

#### I. *The Way for Economic India*

It would not be possible to criticise the ideas of Gandhi and Sarkar on every point within the short compass of this book. Space permits only a brief discussion of what appears to us to be the most important point, namely, the question as to the path that economic India must tread.

Both Gandhi and Sarkar want that India's present poverty is to be removed. But Gandhi wants removal of poverty in a very restricted sense. What he understands to be a removal of poverty would be regarded by many and is viewed by the present writer as but the continuance of poverty. Sarkar, on the other hand, wants substantial enrichment and not merely the removal of poverty.

Should India be enriched according to the world standard? Or, should we aim at merely satisfying the needs of the Indians as regards the minimum of food, clothing and shelter as judged by the prevailing Indian standard?

The solution of this question depends on whether unlimited material progress is or is not a desirable end.

Gandhi and persons of his way of thinking denounce unlimited material progress on the ground that it hampers man's spiritual progress. We, however, cannot subscribe to that opinion. It is only in the case of the few that the desire for worldly enjoyment is quickly satisfied. The majority of human beings, however, are not satisfied with meagre enjoyment. In their case the spirit of renunciation can develop only through enjoyment and not without it. Suppression of worldly desires in their case would not hasten but would definitely hamper spiritual progress.

In this connection we are reminded of an interesting pronouncement of Swami Vivekananda.<sup>1</sup> On his return to India

1 Swami Ashokananda: "Ring Out the Old, Ring in the New" in *Prabuddha*

after his memorable speech in the Parliament of Religions at Chicago (1893), he was once asked by his disciples in the course of a conversation as to why he did not deliver as many religious lectures in India as he used to do in the U.S.A. His reply was that it was the Americans who had had a surfeit of worldly enjoyment that could have a sincere demand for religion and that religion could not be preached in India with equal effect because the material condition of the masses was not satisfactory.

That, in our opinion, is the real inwardness of the situation. An India in which even primary wants are not satisfied or are barely satisfied can never hope to be spiritually great. Spiritual advancement is possible only on the foundations of a broad-based material progress.

That is why, even from the spiritual standpoint, we want a real and substantial enrichment of India and not merely the removal of its prevailing poverty.

This enrichment, if it is to be so according to the world standard, can only ensue if we absorb modern industrialism to the full. Industrialism can have its evils. Its benefits, however, far outweigh the evils. The benefits of modern industrialism at once present themselves strikingly to us if we compare the health, the longevity and the material conditions of life of the masses in Great Britain in the pre-industrial age with those prevailing to-day. The way in which the population of Great Britain has increased would also be an eye-opener. We must also note that methods have been and are being found out for removing or checking the evils of modern industrialism.

Sarkar is one of the few Indian economists to vigorously stress the importance of industrializing India. Whatever flaw there may or may not be in the details of his ideas the importance of his teachings lies in that fundamental message of his.

Well-planned and properly controlled, modern industrialism makes it possible for the members of a society to live in decent comfort even if each member works four or five hours per day.

Should India choose that, or should she compel her peasants and artisans to pass through twelve or fourteen hours of grinding work per day, when work is at all available, and still lead a miserable and penurious existence? No progress is possible without leisure. Modern industrialism offers the prospect of leisure to India's millions. Should they go without it?

Sarkar's views, however, do not go far enough. India not only wants modern methods of production and distribution. She is also in need of a system of "planned economy" *controlled, as it should be, by a power from the centre*. It is also highly necessary that the excesses and evils of the prevailing individualistic system should be removed or checked by legislative measures and executive action. These points do not occupy an adequate place in Sarkar's ideology, although his "Scheme of Economic Development for Young India", published in the *Modern Review* (Calcutta) for July 1925 and later incorporated as a chapter in *Economic Development* (Madras 1926), embodies a full-fledged programme of "economic planning", of which one hears so much to-day especially since the success of the first five-year plan (1928-32) in Russia. Sarkar appears to be a believer more in selfhelp than in state action.

That, however, does not matter much. Since he supports modern industrialism as a whole-hogger, he has struck the right key and pointed out the correct path. That in itself amounts to much.

There are points in Gandhi's ideas which are valuable or interesting. But in as much as he opposes modern industrialism, his fundamental message, in our opinion, is wrong and is not for the betterment of India.

The path before us then is clear. Let India be industrialized, let her economic life be thoroughly modernized after the pattern of the advanced countries of to-day, with such modifications and adjustments as experience shows to be necessary. Ceaseless and untiring efforts in that direction, say, for the next twenty-five years, will produce a new India stronger, healthier and manlier than ever before and a pride to herself and the world.<sup>2</sup>

2 Dutt: "Factory System vs. Cottage Industry" in *Arthik Unnati*



## II. Sarkar's Heresies in Currency and Tariff

Up till now we have confined ourselves in our analysis of Professor Sarkar's views only to some of those topics which have been discussed by Mahatma Gandhi at length. It remains to add that Indian economic opinion is, as may be expected, quite divided on other topics as well. Currency and tariff, for instance, are two questions of fundamental importance in which conflicting currents are very conspicuous. Without going into the details of the controversy over these topics we shall merely call attention to Sarkar's views as being radically different from those of a very large number of Indian economists.

### *The Ratio Controversy*

That Sarkar's views are "unconventional" is observed by *Federated India* of Madras (27th December 1933). And the *Commercial Gazette* of Calcutta (8th November 1933) remarks as follows: "We naturally feel hesitant to place our implicit faith in his teachings on the particular question (the controversy), as the eminent Professor, usually holding views quite out of the ordinary and frequently perplexing our common notions of realities, has himself given us a cause to demur from his point of view by his singular advocacy of 1s. 6d. ratio in 1926."<sup>3</sup>

Against the conventional view to the effect that the Rupee is "over-valued" in terms of sterling Sarkar argues as follows in the words of the *Indian Economist* (Calcutta, December 11, 1933): "In another statement to the press Prof. Sarkar asserted that the

February 1930; "Which Way Lies Economic Progress?" in *Clive Street* (Calcutta), August 1933; "The Place of Women in the Economic Life of Bengal" in *Arthik Unnati*, December 1933; also "Importance of Economics" in *A.U.*, August 1929, and "The Methodology of Research Followed by the Bengali Institute of Economics" in the *J.B.N.C.*, December 1929.

3 Moulik: "Views of Prof. Sarkar on the Eighteenpenny Rupee" (*Arthik Unnati*, January 1934), based on six interviews published in the Bengali journals, *Ananda Bazar Patrika*, *Basumati* and *Hitabadi*; Sarkar: "Indian Export, Price and Exchange Movements on the Eve of Recovery (with reference to Economic Structure and Economic Planning)" in *Financial Times*, Calcutta, January-July, 1934.

Rupee was not over-valued in comparison with sterling. Devaluation was un-called for. The eighteen-penny Rupee ought to continue. In developing his arguments Prof. Sarkar said that the fall in prices in India since 1931 could not be proven to be heavier than that in the United Kingdom excepting in two or three points. The price-index in India was based mainly on agricultural commodities whereas in Britain mainly on industrial goods. Hence, no scientific comparison could be made, as price indices in agricultural countries are usually much lower than in those of manufacturing lands, the difference sometimes being not less than twenty per cent.<sup>4</sup>

The conventional viewpoint is presented by the *People of Lahore* (13th November 1933) while reviewing Sarkar's *Indian Currency and Reserve Bank Problems*. The reviewer says: "Prof. Sarkar is an optimist. The exchange value of Rupee was fixed at 18d. gold in 1927. It is well known that the Indian business community wanted a lower rate. Prof. Sarkar says, 'The standpoint of those Indian publicists and economists who carried on the agitation against 1s. 6d. and in favour of 1s. 4d. has been demonstrated to be too pessimistic (p. 13). \* \* \* The business community still continues to take a pessimistic view of the rate of exchange. \* \* \* Very few publicists and economists, with Prof. Sarkar's exception, would have difficulty in understanding the demand for a lower rate of exchange.'"

In regard to the export of gold which is justified by Sarkar, the *People's* reviewer remarks as follows: "Prof. Sarkar does not object to gold exports. 'It is clear, however', he says, 'that it has not been possible in recent years on account of the fall in the demand, to export as much agricultural produce as is necessary to pay for the imported goods. This is why the export of gold bullion has been found to be the most convenient as payment of

4 "The Rupee Not-Overvalued" in the *Amrita Bazar Patrika* (2 Dec. 1933), *Forward* (3 Dec. 1933), *Advance* (5 Dec. 1933) and other Indian dailies served by the United Press (Calcutta); *Insurance and Finance Review* (Calcutta), December 1933.

price for the imports (p. 14). \* \* \* Many of us think that the continued export of gold must sooner or later bring the country to the verge of bankruptcy, but Prof. Sarkar knows more than any one else."

Sarkar's argument on this much debated point can be given in his own words as follows :—"Fortunately for us, India happened to possess gold in quite considerable amounts. From 1923 to 1930 India imported large quantities of gold (Rs. 2,108,700,000). \* \* \* And it is this gold which was imported from abroad on account of certain trade relations that is in part being exported abroad today on account of certain other relations. (The recent exports of gold amount to Rs. 940,000,000). \* \* \* As soon as the export and import of goods between India and the foreign countries are restored to the pre-depression level the journey of the same yellow metal back to India may be expected as a matter of course, etc."

Further, "the percentage of gold-cover (for the currency notes) has risen from 6·2 to 14·9 per cent during the period of the exports of gold from India. One need not therefore be too panicky about the situation."<sup>5</sup>

According to the *Hindu* of Madras (December 3, 1933) "this conclusion is obviously unpalatable to many leading businessmen in India (who have been advocating an embargo ever since the outflow began), though one fails to see how they can pick holes in Prof. Sarkar's arguments."

The observations of the *Hindu* throw fresh light on Sarkar's position. This daily observes that "on most questions Prof. Sarkar's views are not identical with those held by prominent businessmen in the country. \* \* \* On every question he has attempted to substantiate his case by facts and figures. \* \* \* With regard to the Rupee-sterling exchange, he advances the novel and astounding proposition that the "amount and Rupee value of India's exports are not necessarily dependent on

<sup>5</sup> *Indian Currency and Reserve Bank Problems* (1933) pp. 21-23.

the rate of exchange. His arguments in this instance are very interesting and appear plausible."

The diversity of currents in Indian currency thought is mirrored forth likewise in the attitude of the *Amrita Bazar Patrika*, a leading daily of Calcutta, which, although in its editorial policy did not support Sarkar's views wrote, however, as follows while reviewing the book (December 10, 1933): "Prof. Sarkar is the founder of the present-day Bengali school of economists who support the linking of Rupee to sterling at 18d. per Rupee and the exports of gold from India. The arguments adduced, however, are well reasoned, interesting and educative."

The strength or extent of the heresy in Sarkar's currency theories is apparent from the *Insurance and Finance Review* (Calcutta, November 1933), which finds in the book a "gradual development of the particular economic policy which Prof. Sarkar has been consistently advocating since the publication of the Hilton Young Currency Commission's Report in 1926 up to the latest phases of our currency and banking problems. \* \* \* It was Prof. Sarkar who first raised his voice against the "classical" economists, so to say, of India, for example, the Bombay mill-owners. \* \* \* In this monograph will be found the germs of the formation of a new school of economic thought in Bengal that approaches the economic problems of the day from an objective point of view without yielding to popular confusions or dictates of interested partisans in a controversy."

### *The Ottawa Agreement*

Tariff questions have been dealt with by Sarkar as integral parts of the currency problem. But the tariff problem has drawn his attention independently of the currency questions also, and his views, as usual, are, again, unconventional. At the University of Lucknow, for instance, he was invited to lecture on "India and the Ottawa Agreement" in November 1932, at a time when Indian "public opinion" was strongly organized against the introduction of the Ottawa principles. But Sarkar argued in

favour,<sup>6</sup> and his arguments have embodied themselves later in a monograph entitled *Imperial Preference vis-à-vis World-Economy* (in relation to the International Trade and National Economy of India), 1934.

Sarkar's theoretical contention was to the effect that the preference by itself could not lead to a rise in the price of imports unless combined with protection. But the proposed tariff did not add to the protective measures already in force. Non-Empire goods would be forced to lower their prices, although subject to higher duties, in order to compete with the cheapened Empire goods. Further, there was likely to take place a transfer in the source of India's imports, a change in the direction of import trade without any necessary influence on the volume or on the price-level. The United Kingdom would thereby be enabled perhaps to increase her percentage of the Indian import trade towards the pre-war proportion from which she has declined in post-war years. There would thus be a gain to the U.K. but no loss to India.

In regard to exports from India the special favours—the preference—granted by the U.K. would only serve, in Sarkar's judgment, as an additional stimulus. Should India have chosen to stay outside the Empire and reject the favours conceded by the U.K., thereby rendering herself liable to higher and protective duties on the British market like all non-Empire countries, she would have been replaced in no time by the nearly forty British Colonies (with 50,000,000 inhabitants), capable as they were of producing tropical and semi-tropical raw materials, i.e., goods in which they were bidding fair to be powerful rivals to India. The Colonies were likely to grow and expand on the British market at the expense of India. A substantial loss would have been in store for India, had she declined to encounter the preferred Colonies in the United Kingdom without a preference for herself. Nay, it was not so much the expansion of exports to the U.K. as

6 *Arthik Unnati* (Calcutta, December 1932).

the prevention of their contraction that the preference would confer upon India.

In *Indian Currency and Reserve Bank Problems* (p. 14) Sarkar speaks of the "relatively" great losses that Indian cultivators would have had to suffer, had there been no preference. But now that the Ottawa Agreement has been accepted by India he believes that "as soon as the world-depression is over, new marks of prosperity for the Indian peasants will tend to make their appearance. By 1940, i.e., the terminus of the Preference period we may expect some positive and solid signs of material advance among our agricultural classes."<sup>7</sup>

#### *Forecasts About Economic Recovery and Ottawa Agreement*

It is now necessary to call attention to the fact that his ideas of November 1932 in regard to the probable consequences of this measure have happened to become verified in the course of a year and a half, as the *Insurance and Finance Review* (Calcutta, April 1934), observes. The following extracts are quoted from that journal:—

"In the January number of the *Monthly Review* of the Barclays Bank Ltd. (London) the 'increase in arrivals of raw materials' is described as a feature of trade conditions in the United Kingdom. In regard to the British import of raw materials it is announced that the 'largest increases have occurred amongst raw cotton, wood and timber, raw wool and undressed hides and skins, but substantial rises in other important commodities testify to the widespread nature of the recent improvement in industry.' The continuity of the movement is noted in the March number also.

"The United Kingdom has begun thus to buy more raw materials from agricultural countries. This fact marks the beginning of the recovery after the world economic depression. We should here like to draw the attention of our readers to the

<sup>7</sup> Sarkar; "Indian Export, Price and Exchange Movements on the Eve of Recovery (with reference to Economic Structure and Economic Planning)," *Financial Times*, Calcutta, January-July 1934.

article on 'Economic Planning for Bengal' by Prof. Benoy Sarkar, published in March 1933 in which the date of the recovery as forecasted by him was to fall during autumn of the same year. The economic forecast should appear thus to have been verified.

"It is worth while to note two of the British imports mentioned above, namely, raw cotton and undressed hides and skins. The one has some reference to Bombay and the other to Bengal. The mobilization of India's raw produce for export has evidently obtained a fillip. Recovery has been touching the Indian bazars also.

"A statistical analysis of the Ottawa Agreements in their bearings on the United Kingdom has likewise been made in the January number of the *Barclays Bank Monthly Review*. We find that during the nine months, January to September, India exported to the U.K. goods worth £892,000,000 in 1933 as against £756,000,000 in 1932, and £734,000,000 in 1931. In absolute figure Indian exports of the Ottawa period were higher than those for the two previous periods. In percentual relation also India's exports under the Ottawa Agreement show a higher figure. In 1933 the U.K.'s imports from India constituted 4.98 per cent of her total imports, whereas in 1932 they constituted 4.21 per cent and in 1931 3.93 per cent only. In other words, Imperial Preference has implied for India a much greater command over the British market and, therefore, a relatively higher prosperity for the Indian cultivators than under other conditions. On this subject also it is interesting to observe that Professor Sarkar's arguments in favour of Ottawa Agreement as likely to be beneficial to Indian exporters have been verified by recent developments.<sup>8</sup>

"In both these contexts is to be read with interest the news that jute exports in March 1934 amounted to 309,674 bales, as

8 See Sarkar: "The Logic of the Ottawa Agreement" in *Arthik Unnati* for November 1932 and April 1933; *Bartir Pathe Bungali* or "Bengalis in the Course of Expansion" (Calcutta, 1934), section on Ottawa; also *Imperial Preference vis-à-vis World-Economy, Appendix* (Calcutta 1934) and the *Indian Commercial and Statistical Review* (Calcutta, July and August 1934).

against 166,331 bales in 1933 and 269,192 bales in 1932. Equally significant in the same connection,—no doubt as a consequence of the restriction,—is the fact that the price of common and low medium tea has doubled in the course of a year (January-December 1933)."

### *Japanese Dumping*

A recent problem in Indian tariff is that bearing on the Japanese goods and Indo-Japanese commercial intercourse. The conventions of Indian economic thought in this field are associated with the three categories, dumping, retaliation, and protective tariff. Sarkar's approach to this problem is anything but conventional.

On the subject of dumping his observations are in short as follows: "Japanese cotton goods are being sold in India at somewhat *higher prices* than in Japan. It appears that Indian consumers are prepared to buy Japanese stuffs at higher prices than the Japanese people themselves. This means that even these relatively higher prices are lower than the prices of Indian *Swadeshi* cotton goods in India. In other words, should this be demonstrated on extensive investigations, dumping can hardly be proven."

"On the Indian side," says Sarkar, "it should be unreasonable to look upon every instance of reduction in Japanese takings of Indian raw produce as inspired by boycott or reprisal." He points out, first, that the universal economic depression has brought down the trade figures to nearly the third of the "normal level." Secondly, like all other countries including India, Japan has been attempting to become *autarchic* or self-sufficient in certain directions. Naturally, therefore, it is to be taken for granted that the Japanese demand for Indian pig iron and cotton would be more and more limited in future,—especially as the

9 "The Strength and Limitations of Economic Japan *vis-à-vis* Young Bengal" (*Calcutta Review*, November 1933).



capacity of Manchuria and China under Japanese influence to deliver these and other materials grow. The ambitions of Japan in regard to this kind of *autarchy* are considered by Sarkar to be no less legitimate than India's own aspirations in regard to industrialization and *Swadeshi*. In his judgment, therefore, the category "retaliation" can hardly be used in regard to the Japanese tactics *via-à-vis* India. The alleged Japanese threat of retaliation is according to him "factually" nothing more than 100 per cent bluff.

Sarkar is well aware that the glass, hosiery, porcelain and other industries of Bengal as well as the big textile industry of India have begun to experience a life and death struggle in the teeth of competition from Japanese imports. The conventional panacea is nothing but protective tariff. But, says Sarkar, "While trying to safeguard our Bengali as well as Indian interests from the invasion of Japanese goods by tariff let us by all means attempt also to imitate Japan in the manner by which she has updatized her principles of management in agriculture, industry and commerce." He believes that the things that are generally overlooked by the Indian economists in the inventory of a nation's industrial and commercial wealth are just among the most potent causes of Japan's economic *digvijaya* (world-conquest) at the present moment." The laurels that the Japanese have been winning in the world's markets including the Indian are due in no small measure to the legion of unions, associations, chambers, cartels etc. by which the economic life of Japan is honey-combed. And to these he directs the attention of all students of tariff.<sup>10</sup>

And in this connection Sarkar throws interesting light on the question of industrial efficiency. He presents us, again, with an unconventional thesis when he says: "We must guard ourselves against committing the fallacy of believing too naively that the Japanese are more efficient, man for man, than the Bengalis. \* \* \* Indeed, none of the European races are to be postulated as more efficient than any of the peoples in Asia."

10 "Business Organization as an Aid to the Economic Expansion of Japan" (*Calcutta Review*, January, 1934).

Modern industrial efficiency is considered by him to be "more a social complex than a function of individual merit, skill or character." And in this complex the lion's share belongs, says he, to technocracy, rationalization, scientific management, and business organization. In our examination of the output per head in Japan, high as it is compared to that in India, we are therefore advised to associate it in an adequate manner with the "amount of capital at the disposal of the cottage, small, medium and large industries of Japan." This is an item "in regard to which the Bengali people can legitimately envy the Japanese." "The effects of first class implements of the latest type as well as the cartels, trusts and other associations for the control and marketing of the output" deserve likewise to be fully appraised while analyzing the industrial and commercial efficiency of the Japanese people.<sup>11</sup>

### III. Other Economic Heresies of Sarkar's

#### *Comparative Vital Statistics*

Let us pass on to another topic. On the subjects of over-population and optimum there is a conventional way of thinking both in India and abroad. Against the traditional methods and viewpoints in demographic science Sarkar prepared a large monograph in Italian under title *I Quozienti di Natalità, di Mortalità e di Aumento naturale nell' India attuale nel quadro della demografia comparata* and presented it before the International Congress for the Study of Population held at Rome in September 1931 at which he was one of the Presidents in the Economic Section. On the same subject he had a paper before the Eighth All-India Medical Conference held at Calcutta in December 1931, which was later published in the *Journal of the Indian Medical Association*

11 "The Strength and Limitations of Economic Japan" (*Calcutta Review*, November 1933). The subject of industrial efficiency is discussed by Sarkar at length in "The Workingman in India and National Welfare" in several numbers of the *B. N. R. Employees Journal* (Calcutta) for 1932 and 1933.

(Calcutta, May, 1932). A brief resumé of Sarkar's ideas on the world's population questions is given below.<sup>12</sup>

The paper discusses the (1) birth, (2) death, (3) infant mortality and (4) growth rates of the nine Indian provinces. They are systematically exhibited in the perspective of international statistics culled from some thirty-three different countries of the Eastern and Western Hemispheres including Japan. The concluding chapter is given over to the discussion of the population policy for India.

The international coefficients of vital statistics have been placed in three or rather five different groups. The zones of birth, death and infant mortality and therefore of natural increment are found objectively to be indifferent to considerations of (1) climate, (2) race, (3) religion and (4) politics. "Demographic comrades" do not necessarily happen to be geographically, ethnographically or sociologically akin to one another. Under uniform conditions of temperature, altitude, isotherms and what not as well as of physiognomy, social *mores* and legal institutions we discover an extensive diversity of birth and death rates; and on the other hand, identical or neighbouring coefficients are distributed over regions of the world marked by very diverse physico-physiographical and socio-cultural characteristics.

Historical statistics bearing on the birth, death and infant mortality lines of nations (1811-1928) indicate that India has been moving in the same direction as most of the statistically recorded world in regard to the decline-trends. The paper establishes a number of "equations" in comparative demography on the strength of peaks and depressions in the life-curves of diverse peoples. These equations prove, among other things, that in birth rate Bengal in 1922-26 is just a little lower than Italy in 1921-25 and exhibits more or less the same conditions as Germany in 1911-14. We get likewise an equation in death rates like the following: Madras (1922-26) 22.5 = almost Italy (1901-05) 22.0.

12 See also Sarkar: "The Trend of Indian Birth-Rates in the Perspective of Comparative Demography" in the *Indian Journal of Economics* (Allahabad), April 1934.

The chronological distance between Bengal and Germany in birth rate is some twelve years only and that between Madras and Italy in death rate is about twenty years. And so on in regard to the other indices of international vital statistics. The rather high rates which happen still to be in evidence on the Indian subcontinent are factually demonstrated to be neither exclusively Indian nor characteristically Oriental or "tropical", but are quite Eur-American as well. It is not possible, moreover, to speak of some alleged non-tropical or Western indices. Neither Eur-America, nor Europe nor America is found to be united or uniform in any of these coefficients. The divergences between the different parts of the geographical expression known as Europe or the Western world are immense. Finally, it is obvious that it is only in very recent times, to be measured by half a generation to one generation, that the "undesirable" rates have disappeared from the pioneering peoples.

Should it be possible for the different regions of India to enjoy a few more doses of (1) popular instruction and (2) general sanitation such as the national finances of modern countries consider to be their first charges it is likely that the Indian peoples will catch up to or approximate the go-aheads of the world in no distant future. The rate of natural growth in India has up till now been uniformly lower than that in other regions with the same amount of population. It is not so much from India as from other regions that the world will have to fear over-population. But economically speaking, wherever there is poverty, i.e. low purchasing power and low standard of living, there is over-population. India is therefore over-populated and the stress of over-population can but grow with greater modernization involving as it will better public health policy etc. The economics of population for India, both in problems as well as solutions, will be found to be identical with that for other countries.

The foundations of a new science of population as well as a new sociology are thus being discovered by Sarkar in the conclusions of comparative vital statistics. Incidentally, the conviction is forced upon us that the climatic conditions of India as well as

the hygiene and social habits of the Indian peoples are not as dangerous to health as it has been the custom to believe. A scientific investigation might therefore be instituted into the hygienic values of Indian climate for the Indian races as well as of Indian manners and customs.

### *Bengali Zamindars and Economic Bengal*

Another important topic of contemporary economics on which Sarkar's views are opposed to the popular and conventional ones is that bearing on the Zamindar or landholding classes in their relations to the material and moral progress of Bengal. He has written extensively on the subject.<sup>13</sup>

The situation is described in the *Insurance and Finance Review* (June 1934) as follows:—

“For sometime economists and politicians, specially those who derive their inspiration from non-Bengali sources have been preaching from housetops that the economic miseries of Bengal and their industrial backwardness are due to the Zamindars. It is, indeed, very fashionable now-a-days to lecture to students in a University and other academic circles throughout the length and breadth of India that the Bengali people owes nothing to the Zamindars whether in culture, politics or economic life.

“It is, therefore, something of a rude shock for many to learn from Prof. Benoy Sarkar in the course of his lengthy discourse on the diverse agencies in the modernisation of Bengal that the contributions of Zamindars are, to say modestly, not less than those of any other class of people.

“As President of the recent social function at the Ramkrishna Mission Schools for Boys and Girls at Sarisha in which some seven to eight hundred men and women of Calcutta and environs took part Prof. Sarkar said in part as follows :

‘Bengalis are a great race because they do their duty. Many

13 Sarkar: “Bengali Zamindars in Relation to Bengali Agriculture, Industry and Commerce” in *Arthik Unnati* for September 1933. See also Pankaj Mukherjee: *The Economic Services of Zamindars to the Peasants and the Public as Analyzed by Prof. Benoy Sarkar* (Calcutta, 1934).

of our countrymen who possess some sort of ability and have some means at their disposal try to use them in the interest of the welfare of their neighbours, the district or the province. Such philanthropic and patriotic men are to be found among business men, lawyers, doctors, school masters, and students, indeed, among men of all professions.

'Schools, dispensaries, libraries, gymnasia and other social service institutions are today being promoted by the Ramkrishna Mission, Calcutta Corporation, Municipalities, District Boards, etc. But until a generation ago virtually the only public-spirited men of the country came from the Zamindar classes. For instance, in the district of Birbhum the Zamindars of Hetampur and Labhpur did some pioneering work in these lines. The Banerjis of Labhpur took to business also, especially in coal mining. The Singh-Roys of Chakdighi in Burdwan were interested in modern education in the days of Bhudeb, Vidyasagara, and Bankim. Latterly, the legal and medical practitioners have become prominent in the society, in political as well as cultural activities. It is interesting to observe that in recent years also the Zamindars have continued their tradition of public service by associating themselves as colleagues with the members of those new professions as well as with journalists and other intellectual classes.

'Every class of the Bengali people is trying to raise our motherland. It is not only our young boys and girls that should know this and feel proud of the duties done by our countrymen. Our newspapermen, our public speakers, our schoolmasters, our leaders of peasants in villages ought also to know that the progress that has been achieved by the Bengali people in education, literature, industry and science is due to the combined patriotic activities of all classes. The progress of Bengal in the near future will likewise depend on their support of and friendly co-operation with the intellectual classes, the businessmen and the Zamindars. We cannot afford to ignore or overlook the contributions factually made by or expected from any class, especially in view of the fact that a new epoch of economic and cultural expansion is now in the making.'

“In considering the contributions of the Zamindars as worthy of recognition by our scholars and publicists, Prof. Sarkar has but sought scientifically to ‘give the Devil his due’. No doubt, this message will smack tremendously of an economic heresy. But it is interesting to observe that this frank appreciation of the part played by Zamindars is one of the many economic and cultural heresies with which Messrs. Chuckervertty Chatterjee and Company have presented Bengali readers by publishing two volumes (nearly 1,000 pages) of his *Naya Banglar Goda Pattan* (The Foundations of a New Bengal). The world knows that in regard to Ottawa as to currency, industrialization, foreign capital, financial co-operation with Marwaris, and other major problems of applied economics, Prof. Sarkar has long been a hardened heretic.”

The unrecognized men and institutions of Bengal constituted the topic of the Presidential lecture delivered by him at the Suburban Reading Room, Beliaghata, Calcutta, on the occasion of the annual function held in June 1934. He referred to the importance of libraries, the skill and character of the illiterates, and the public services of the Zamindars in the national economy of Bengal. A brief resumé is given below.

“The library is a *benami vishwa-vidyalaya*, an unrecognized University,” said he. “Students as well as young men and women do not derive less inspiration from a library in regard to the formation of brain or development of personality than from the schools and colleges. If the Bengali people has been growing in efficiency and character it is to a great extent due to the large number of libraries in and outside the schools and colleges that have sprung up like mushrooms throughout the length and breadth of the country. Among such unrecognized universities we should also count the market places, newspapers, cinema, radio, public meetings and processions. The value of all these and allied institutions in our national economy has got to be recognized more and more.”

Attention was then drawn by Sarkar to a large class of our countrymen “whose manual skill, general aptitudes and qualifica-

tions, economic efficiency, moral character as well as spiritual strength are entirely ignored by our leaders, educators, statesmen and scholars." They are the millions of men and women in our villages, the 89 per cent of our population—mostly cultivators—who cannot read and write. According to him it is time to recognize pedagogically, economically as well as sociologically that the illiterates are *not uneducated* in any significant sense. Brains and character are formed as much in actual professional work like agriculture, fishing, carpentry, spinning, pottery, boating, smithy, etc.,—as in schools and colleges. The illiterates have long remained the unrecognized educated men and women of Bengal. Schoolgoing men and women are not necessarily more educated than our *chashis* (cultivators), *mistris* (craftsmen) and *majurs* (workingmen)."

Another sphere in which recognition is not being rendered where it is due is that of public spirited men and women, industrial leaders, financial agents etc.

"To the category of unrecognized patriots, publicists or servants of the country," he said, "belong the Zamindars or landholders. Students of social economy should be scientific enough to realize that lawyers, schoolmasters, medical doctors and businessmen are not furnishing the only public spirited men and women of Bengal to-day. Substantial nation-building and constructive welfare activities are to be found in the landholding communities also. A great deal of the industrial and commercial ventures of Young Bengal since the birth of the glorious *Swadeshi* movement in 1905 has been financed directly and indirectly by the Zamindars."

Sarkar observed that with that movement commenced the epoch *par excellence* of lawyers and other intellectual and middle-class publicists—and to a certain extent of the industrial and commercial classes. But in his judgment, these new classes of publicists have not yet been able to eclipse the contributions of the age-long publicists of Bengal, namely, the landed proprietors. Besides, the traditional landed aristocracy has been partially getting transformed into and swelling the ranks of the new industrial and



commercial bourgeoisie. In the appraisal of economic dynamics as operating in Bengal the economic theorist as well as the business politician will have to attach due importance to the practical consequences of this transformation of the land-holders into modern financial agents."<sup>14</sup>

### *The Industrialism of Young Bengal*

Something like an "inferiority-complex" has been in the atmosphere among the public men and economists of Bengal. This complex also is being combated by Sarkar like the other popular notions. On December 4, 1931 he was invited to open the Industrial Exhibition in connection with the special session of the Bengal Provincial Conference held at Berhampore (Murshidabad). His presidential address dealt with the industrialism of Young Bengal and its role in world-economy.

The speech is being reproduced below, as reported in the dailies:<sup>15</sup>—

"While enjoying the privilege of opening the Industrial Exhibition at Berhampore it is my foremost duty to begin by paying homage to one of her noblest and most patriotic sons, the late Maharaja Manindra Chandra Nandy of Cossimbazar, who it was that in 1905 helped forward the birth of Young Bengal by laying the foundation of the *Swadeshi* Movement at the meeting held in the Town Hall of Calcutta. Since then for over a quarter of a century Young Bengal has been achieving laurel after laurel, such as is recognised by the international world, in diverse fields of creative enterprise, economic, cultural and political. The little industrialization that the Bengali people has to its credit to-day,—in the form of cotton and jute mills, coal mines, chemical works, tea plantations, banks and loan offices, insurance companies, workingmen's unions etc.,—is in the main the outcome of the great *Swadeshi* ideas of 1905. We must not forget that even in

14 *Indian Commercial and Statistical Review* (Calcutta, August 1934).

15 Reported by the 'Free Press' for all dailies in English and Bengali. See for instance, the *Amrita Bazar Patrika* of December 5, 1931.

the line of constructing tools and machines Bengali engineers and *mistris* have also been showing some mentionable results.

“The present exhibition, like the *mela* held the other day in Calcutta and like many other things in the industrial field that we have been able to accomplish, is perhaps a child’s play in contemporary world-economy. But it is very desirable at the outset to fully realise that it is only in comparison with the industrial ‘great powers’ that the Bengali people is backward in matters of modern technology and industry. But in the perspective of Bulgaria, Rumania, Poland, and other countries of the Balkan complex, Eastern and Southern Europe, and Russia, all of which are politically sovereign and some of which are republican, the people of Bengal is not negligible. Indeed, nearly sixty per cent of the people of Europe is in point of industrialism more or less in the same conditions as the Bengali people. An objective study of comparative industrialism is not likely to place Bengal in a very unfavourable situation.

“Nor are the industrial conditions of the Bengali people specially discouraging by the *Indian* standard. So far as other Indians are concerned, there is hardly anything to choose between the Marathas or Deccanis and the Bengalis, the Punjabis and the Bengalis, and the Tamils or Andhras and the Bengalis in regard to industrial achievements. It is only the Gujaratis and the Bhatias as well as the Parsis who are ahead in this respect as much of the Bengalis as of the Marathas, Tamils, Punjabis and other races of India. Everybody will admit, however, in passing, that the relative industrial backwardness of the Marathas, Tamils, Punjabis and Bengalis does not as a matter of course imply an all-round backwardness of these peoples in comparison with Gujarati-Bhatia-Parsi complex.

“An intensive economic, statistical and sociological analysis will, moreover, indicate in any case that the industrial backwardness of the Bengali people, in so far as it is a fact, no matter by what standard, cannot be regarded as a backwardness in industrial ‘aptitude.’ All that it is rational to admit is that for one reason or other the economic initiative and energism of the

Bengalis have as a rule chosen more of other fields to function in than those of modern industry. It is only recently that the Bengalis have begun seriously to attempt financial investments in industrial lines. It is chiefly this lateness in the emergence of effective interest that should account for the present backwardness of our people in modern industrial enterprises.

"The relative backwardness can be explained, but I am not here to explain it away or excuse it. We have to combat this regrettable defect by every possible means. In regard to industrial achievements Young Bengal has to-day but one objective before itself, namely, to catch up to the Gujarati-Bhatia-Parsi attainments, nay, to the extra-Indian heights as well.

"The goal is definite. No less clear are the tactics. The most fundamental groundwork of Young Bengal's industrial policy is always to lie in the diverse activities embodying the epoch-making ideas of 1905. It is in the atmosphere of the *Swadeshi* movement in all its aspects that the industrial enthusiasm of the investors can steadily deepen and expand.

"In the second place, the industrial statesmen of Young Bengal will have to work energetically in order to induce the Government to come forward actively in the function of pioneering and assisting industries under national auspices. State aid to industry will have to be re-defined according to the modern, post-war policies of nations, great, medium and small. It is to comprise not simply the theoretical investigations, propaganda work, experimental enterprises etc. but actual Government undertakings, "public" ownership, management and control, constructive tariff, municipalization, and financial subsidies and credit facilities of all sorts as well.

"The different branches of industry that may be attempted with or without state aid as thus defined are legion. Young Bengal has already acquired solid experience in several. I am taking the liberty only to suggest that the construction of tools and implements, of a simpler character but somewhat improved and rationalised, especially such as are connected with agricultural operations and the village arts and crafts, should be taken up

immediately, district by district. The demand for these machines is extensive and keen, and they can be easily manufactured by the available *mistries* and engineers of our country.

"There is a third line along which the industrial energism of the Bengali people can and ought to be directed at the present moment. In each of the different economic regions of Bengal as well as in Calcutta the time is opportune for starting '*Shilpa-Punji-Sangha*' or Industrial Finance Corporations. These companies will have as their main function the financing of such enterprises as for want of adequate backing fail to show the expected results. The establishment of some half a dozen such corporations on a shareholder basis, say, at Rs. 500 per share should enlist in its behalf the idealism and administrative capacity of some of the business heads of Young Bengal.

"While discussing these three directions of industrial policy it is necessary to refer to another factor of great and almost universal importance in the socio-economic structure of Bengal. I am speaking of the non-Bengali Indian, in one word, the so-called "Marwari" element in the capitalistic organisation of Bengal. The industrial statesmen of Young Bengal will have to appreciate the Marwari financiers, industrialists and businessmen as their colleagues, and their co-operation is to be sought by us in every possible field of economic endeavour. It cannot be ignored that in the past the Marwaris, settled in Bengal, have worked hand in hand with us. In all Bengali movements, political, nationalistic, cultural, social and economic, they have invariably taken an enthusiastic and active part in the same spirit as the children of Bengal. Their services will have to be still further utilized in our interest for some long time to come.

"It is time to visualize in a scientific and unprejudiced manner the role of the Marwari in Indian economy. Objectively considered, his contributions to economic India are almost identical with those of the Jew in Eur-American business organization. Comparable to the "international Jew," the Marwari is an All-Indian personality. Not only the Bengalis, but the Marathas, the Punjabis, the Tamils, the Biharis and others,—all have to

depend more or less on Marwari finance in almost the same way as the industry and trade of the different countries of Europe and America on the financial co-operation of Jewish bankers, banking institutions and trading houses. In my judgment intimate association with the Marwaris ought to be consciously and deliberately promoted as a fundamental tactic in the industrial policy of Young Bengal.

"Let us not forget that we Bengalis have commenced the A. B. C. of modern industry and commerce rather late. We must not forget likewise that compared to the people of Great Britain the Frenchmen and the Germans were also late by nearly two generations in regard to modernization and industrialization. Late comers in the same game have likewise been the Italians and of course the Japanese. I am therefore not indulging in mere bombast when on the strength of positive Bengali achievements in the different *vidyas* and *kalas*, in literature, arts, sciences, education, politics, handicrafts, agriculture etc., achievements such as have stood the world-tests,—I dare foresee that like the Germans and the Japanese the Bengali people, although late-comer, is yet destined to demonstrate to the world that it is quite possible to catch up to the go-aheads.

"The industrialism of Young Bengal will still be a source of inspiration to the backwards in India as well as in Asia from China to Mesopotamia and in Africa. Nay, the *Swadeshi* movement of Bengal, although hampered in diverse ways, with which the ideas of 1905 are associated, is going to be appraised in the annals of world-economy as belonging to the same rank as the industrial nationalism of the Russian Gosplan and the economic patriotism of Fascist Italy.

"It is in this faith and hope that I invite Young Bengal to a new epoch of self-sacrificing energism, practical enthusiasm, and constructive idealism, so characteristic of our race, but harnessed from now on to the pressing problems of technology, industry and commerce."

### *The Economic Remaking of Bengal*

It is conventional among politicians as well as economists to

lament over the alleged decline of Bengal in industry and material prosperity. According to Sakar it is not possible to prove this alleged decline by objective statistics. The facts and figures in support of his own views form the subject matter of a volume entitled *Badtir Pathe Bangali* (The Bengali People in Course of Expansion), 1934.<sup>16</sup>

Some of his arguments may be indicated as follows. With 1901 as 100 the population of Bengal increased upto nearly 111 in 1921. But during the same period the number of men, women and children maintained by occupations connected with the extraction of minerals rose to 244, with railways to 196, with trade in chemicals to 176, and with the textile industry to 128. That is, "the progress of industrialization proceeded", says he, "at a much higher rate than the numerical growth of population."

During the same period the number of persons supported by ordinary cultivation did not rise to a higher figure than 111. Thus according to him, "relatively speaking, Bengal did not grow more agricultural, as is commonly believed." Further, "the progress of *general* industrial occupations was a few points above that of *general* agricultural."

Coming down to the more recent Census decade we find, says he, that from 1921 to 1931 the population of Bengal increased only 7.2 per cent. But the number of persons "living on their income" rose 34.6 per cent. It is pointed out that this class does not include the landowning or Zamindar community and "points to the growth of what may be described as non-rural and non-agricultural capital."

To-day, we are told further, there are 120 houses per square mile as against 75 some half a century ago. In the days of Bankim Chandra Chatterjee the number of persons per house was 6.3. It has come down to 5.1 at the present moment. "To the increased provision of houses has also to be added that of clothing, shoes, umbrellas, playing cards, lanterns, schools etc., such as

16 See the lecture on the "Economic Remaking of Bengal" at St. Paul's College, Calcutta, published in *Liberty*, (Calcutta) August 26, 1933.

signalize the consumption-schedule and purchasing power of the Bengali masses."

The heightening of the standard of living has gone on, says he, in spite of the increase in the cost of living and rise of prices. Men, women and children in the *Mofussil* are to-day living more comfortably than before.<sup>17</sup>

### *The Doctrine of Progress*

Along with the decline-cult as prevalent in India Sarkar combats likewise the decline-cult as popular in Eur-America to-day.<sup>18</sup>

The situation in world-thought is described by him as follows:—

"In recent years the name of thinkers who preach the doctrine of mankind's decline is legion. From Spengler, the German author, people have got the formula that the West is now in for decay. Romain Rolland has popularized the notion that Western civilization is doomed. In the Italian demographer Gini's analysis of the 'parabola of evolution' the European races are all exhibiting senescence with the solitary exception perhaps of the Italians. Even American sociologists have been attacked by this decline-cult and many of them are anxiously discussing the question as to the decline in the natural fertility of the Eur-American population."

While prepared to admit that pessimism may even be a constructive force Sarkar doubts whether the transformations that have been going on around us both in East and West are being properly appraised. He wants us to understand that a "great deal of the transformations generally known as class or social revolutions are at bottom expressions of racial ups and downs. It is

17 See also *Naya Banglar Goda-Pattan*, Vol. I, (chapters on "The Instruments for Repairing the Brain," "The Philosophy of the Naughty," and "The Arthashastra of Young Bengal").

18 See the lecture on "Social Transformations in East and West" at the Rotary Club of Calcutta in the *Amrita Bazar Patrika*, August-September 1933.

these replacements or absorptions of certain races by others that constitute the anatomical back-ground of world culture." The process of racial replacements or absorptions is detected by him in all epochs of culture from the days of the replacement of Mousterians by Aurignacians until the present day.

What he finds in Bengal to-day is similar to what is happening in the Western world. The Bengali people is expanding on account of the Hinduization and Bengalization of aboriginals as well as the elevation of the "primitives" to "high castes" through the "bridge" of the so-called "depressed classes."<sup>19</sup> The transformations that have been going on in Eur-America to-day on account of the pressure of the Slavs upon the other races should appear, says he, to belong to the same category as those in India. According to him eugenics is not yet positive about the "quality" of hybrids, produced by race-fusion or intermixture of blood. But "positive history announces that races may come and races may go but that civilizations goes on for ever."

19 Sarkar: "Social Discoveries of Young Bengal" (*Advance*, Calcutta, December 1931), "Creative Forces of the Bengali People" (*Liberty*, Calcutta, April 16, 1933), "The Thousand-handed Bengali People" (*Udayan*, Calcutta, October 1933),



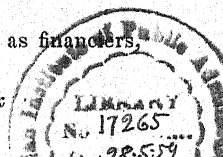
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( Apprenticeship in Economics )

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